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# West Europe Report

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## WEST EUROPE REPORT

## CONTENTS

## POLITICAL

## ITALY

Text of PCI Pre-Congress Theses Adopted 10 December (L'UNITA, 15 Dec 85).....	1
Text of Proposed Program Document for PCI Congress (L'UNITA, 17 Dec 85).....	56
Details of Program	56
Rejected Theses Amendments	83

## PORTUGAL

Looking Ahead to Second Round of Presidential Elections (Jose Antonio Saraiva; EXPRESSO, 10, 18 Jan 86).....	96
Rightist Vote	96
Leftist Vote	97

## SWEDEN

'Truce' in Security Policy Debate Tied to Palme's Moscow Trip (Editorial; DAGENS NYHETER, 4 Jan 86).....	100
Scholar Traces USSR Views on Swedish Neutrality Policy (Bo Petérsson; INTERNATIONELLA STUDIER, No 6, 22 Nov 85)....	102
Poll Shows Continued Advances for Socialists, Liberals (SVENSKA DAGBLADET, 29 Dec 85; DAGENS NYHETER, 4 Jan 86)....	107
VPK Seen Lacking Influence, by Willy Silberstein	107
Reasons for SDP Success, by Gunnar Andren	110
Conservative Newspaper Comments, Editorial	114
Westerberg's Continuing Rising Popularity, Editorial	117

MILITARY

SWEDEN

- Study Finds Defense Will Strongest in Times of World Crisis  
(Kurt Tornqvist; INTERNATIONELLA STUDIER, No 6, 22 Nov 85)... 118

ECONOMIC

DENMARK

- Strong Krone, Domestic Expansion Behind Economy's Recovery  
(Lars-Georg Bergkvist, Johan Myrsten; SVENSKA DAGBLADET,  
29 Dec 85)..... 126

PORTUGAL

- FEDER Approves Regional Development Projects  
(TEMPO, 10 Jan 86)..... 135

ENERGY

SWEDEN

- Electric Power Consumption Already at Nineties' Forecast  
(Bo Ostland; SVENSKA DAGBLADET, 28 Dec 85)..... 139



POLITICAL

ITALY

TEXT OF PCI PRE-CONGRESS THESES ADOPTED 10 DECEMBER

Milan L'UNITA in Italian 15 Dec 85 annex pp 1-16

[Text] [Title page]: L'UNITA Documents/1. Proposed Theses for the PCI [Italian Communist Party] Congress. 17th National Congress. Florence. 9-13 April.

#### PREFACE

The Congress of the PCI is having to make its choices in a profoundly new political situation.

From the standpoint of international relations, the Geneva summit has laid the groundwork for a more relaxed relationship between the two major powers that could create the conditions necessary to reverse the race towards rearmament.

The risks are unending and the gravity of the armed conflicts that are flaring up in various parts of the world, and which are at a critical point of seriousness in the Middle East and the Mediterranean, continues unattenuated. The distressing situation of much of the Third World continues unabated. Still, a reawakening of the spirit of negotiation marks a setback for the extremist forces on all sides and has rewarded public opinion and the peace movement that has manifested itself in various forms throughout the world and that has brought together the most diverse convictions and forces.

The economic, social and cultural terrains have also registered a shift to more open and progressive positions. The stark contrast between the possibilities offered by the extraordinary scientific and technological progress being made on the one hand, and the persistence of so much anguish and such vast joblessness on the other, even in the most developed countries, demonstrates that there can be no positive solution based on reverting to policies of conservation or restoration. Throughout Europe, the forces of the Left are updating their positions to correct the errors and shortcomings that have provided and continue to provide the Right with leverage for its counterattack, and are revitalizing their ideas of solidarity and justice.

In Italy as well, the attempt at a moderated stabilization has gone into crisis. The concept of a 5-party coalition as a long-term strategy has not stood up under test. Manifesting profound contradictions, the essential problems faced by the economy, by the state, by the reorganization of the democratic system, by cultural and scientific advancement, and by the environment, continue unresolved. The need is more pressing than ever to open a new phase, to institute a remedial and regenerative program, to embrace the democratic alternative.

The Congress must address the problem of rendering the PCI ever more prepared analytically, versed in the platform-based proposal, and accomplished in the proper way to perform its duty as an essential force for the governing of the country.

The PCI is and wants to be ever more a decisive component of the European Left. It is on its own socialist ideals that the PCI draws for its unitary inspiration, which seeks, above all, understanding and unity among the forces of the Left, and for its reformist objectives.

Italy needs a social and political alliance for jobs, growth, social justice, the cultural and civil advancement of the country, and the governments that would result from such an alliance. The achieving of this objective requires a further-renovated PCI from the standpoint of its relations with society and of its own internal democracy.

It is to these high-minded and difficult tasks that these political and platform-based Theses are dedicated and offered for debate by the Congress.

[INTRODUCTION]: Characteristics and Values of Socialism as Conceived by  
Italian Communists

1. From their own historic experience of decades of hard struggle, Italian Communists know that no principle and no end can be spared the test of on-going critique, as to both achievements and ideas. This process of careful examination must also be applied to the historic heritage of ideals of the workers movement, which has been taking form since its modern origins and successively developing and undergoing differentiation even into contrasting forms and tendencies. And yet, ingrained in those origins is still to be found a frame of reference with which comparison remains open, notwithstanding the many profound changes that may have occurred in the human world. Marx and Engels designated this frame of reference, in the Communist Party Manifesto of 1848, as the objective of a class struggle that does away with itself and the very need for it, in the social form of "an association in which the free development of each is the condition for the free development of all." Movement in that direction was the revolutionary task assigned to the industrial working class as a social force exploited and oppressed but organic to the modern capitalistic method of production (and indeed generated by it), it being made clear that the working class's emancipation could not be achieved through the political struggle it was being called upon to wage except by the emancipation and liberation of society in general, in the above-delineated form and perspective.

That perspective encompassed and continues to encompass in its libertarian principle the heritage of liberal and democratic revolutions, carrying this heritage beyond the historic class limits of these revolutions. The organizational and political dedication of the masses to that perspective opened the historic phase of the struggle for democracy. In fact, with the development of the workers and socialist movement, and through the initiative of the organized popular classes, democracy advanced from the phase of affirmations of theory and principle, and from minority-based actions, to that of concrete realization and to the achievement of political and social conquests that deeply characterize the history of our contemporary world.

Freedom from need and from oppressive constraints, and civil and political guaranties, are enhanced and integrated, in this view, into a positive freedom for the broadest possible development of each and everyone as an individual, through an egalitarian and self-governed social form. Labeling such a perspective as Utopian is entirely devoid of meaning in the historical timeframe of human evolution. What is called for instead is its comparison--as a realm of possibility if not indeed of necessity--with the present condition of human society.

In the advanced areas of capitalism--which, after all is said and done, determine or condition worldwide trends, even in the areas of "real socialism," and in the dependent, underdeveloped areas as well--we are living today a phase of profound structural changes, centered around a

technological revolution that appears laden with the most incisive and far-reaching consequences since the first industrial revolution.

Considered in and as of themselves, the characteristics of the current technological revolution offer an extraordinary opportunity for an enhancement and a broadening, unimaginable at first glance, of the capabilities of human beings as individuals, that is reflected in every aspect of their material and spiritual activities, hence in their productive capacities. They offer a historic opportunity for the furtherance of labor, of a more liberal and creative form of labor, and of new forms of organized labor. The objective of superseding certain technical divisions of labor and the more oppressive systems of control of employed labor has become pressing--and fundamental to a reform.

However, we are still very remote from a situation in which, taken together, these elements, which today are in the course of development and achievement, can engender a liberating social synthesis, a new and higher-principled society. That will not come about spontaneously. This essential point must not be clouded by the aura of fascination attendant upon scientific and technological innovation. It is being clearly demonstrated by our epoch-making situation, its fearful contradictions, and the modes of its dynamic. It is also being demonstrated by the human and social prices being paid since the moment when a long period of growth, following the Second World War, began to give way to instabilities and economic crises which, in the advanced and industrialized countries, coincided with the crisis of the positive class-compromise solution inherent in the social State. The conservative offensive is a further proof that the process of technological innovation does not coincide mechanically with a social advance.

This is the real situation that the forces of the Left, socialist and communist, find themselves having to address in the industrialized West. Unless they take up this challenge, in its present terms, they will eventually perish, at least for an entire historic phase. What are being brutally put to issue are socialism's values of solidarity and equality, traditionally expressed by the workers world, and, for that matter, all solidaristic values, whatever their historic origin and ideological imprint.

The response is only to be found in a renewal of the policy that gives voice and form, and institutional support as well, to the ferments, and to the richness of movements and associative forms that society has produced in opposition to conservatively-based interests and orientations. But this response cannot be a successful one, or perhaps even a practical one, without a platform and a reformative capability devoted to actualizing all the potentials present today for economic and social growth through an effective and democratically controlled regulation of the processes of transformation and innovation, keeping central at national and European levels the unemployment problem, which, today, means addressing the very processes of capital formation.

This is the essential knot which the forces of socialism have before them, to untie, in the developed societies of the West and of Europe. Our view of socialism today must be an uncrystallized one, in which the aspect of real movement now taking place and that of current phase historicity are in the process of converging. It is not our intention to "put a bridle on the world," as Gramsci has admonished. It is, however, a question of laying out a precise course. Our concept of socialism is not that of full and total state ownership of the means of production and trade, nor that of government-administered planning, because, as historic experience has shown, that concept leads to forms of bureaucratic power, to substantial diseconomies, and to a stifling of innovation and research. First and foremost for us come the processes of socialization and extension of economic democracy, which, in our view, are decisive.

We perceive the need for a policy of public intervention in the steering of the capital formation process, whose extent and quality must be sufficient to provide direction to the overall growth of the economy in a market in which private initiative, a public sector, and a strong cooperative and associative sector can all operate.

The transformation of society, for today and for the future, is a decision that must be made by the forces in the field, which must be guaranteed the freedom of movement and the levels of information and communication needed to exercise effective control of the social and economic processes in progress. This is an essential part of political democracy, the achievement of the universal value of which is for us Italian communists an irreversible and permanent choice that has come down through the entire travail of our history, from our very radicalization and national installation. The struggle for socialism, waged in terms of this indissoluble nexus with the values of democracy and freedom, must therefore aim to render effective and to extend all individual and collective rights and--simultaneously--to promote the most extensive participation by the workers and citizens in the fundamental decisions of political, economic and social policy.

With respect to the developed countries, in which we live, the supersession of the capitalistic system is conceived of by us Italian communists not in terms of major traumatic cleavages, as was the case in the past (this did in fact occur in Russia and China, following the two world wars), but rather as coming about through a complex web of economic forms in which one mode of production and life gradually prevails over another.

The changes that have already taken place in the capitalistic system in the course of its history, through a gradual socialization of functions, have been profound. Certain it is that this system, in terms of its historic character, is not the definitive equivalent of civilization, beyond which barbarism alone awaits us. The present world situation is in itself evidence enough of the seriousness of its unresolved problems. But the characteristics of the socialist and communist platforms have also changed. Neither tacitly nor explicitly is a transition to socialism any longer



thinkable that would be determined or accelerated by a large-scale international conflict. The struggle for peace and detente has become organic to any and all progressive movements. The relationships between human beings and nature have changed. Nature can no longer be viewed as an inexhaustible object of domination and exploitation of its riches and energy by man. There follows from this, in the view of the forces of progress, the central importance taken on today by the qualitative aspects of growth. As a result of the process of emancipation and liberation of women, a change in the relationship between the sexes is under way, which puts to issue the continued existence of a condition of male domination that a different idea of human progress must aim to eliminate.

The heritage of colonialism also confronts us with problems never before addressed. In the Western tradition there is an ethnocentrism which socialism, as a true movement, is called upon to eliminate (racism has not yet been wiped out in actual practice). Internationalism today cannot subsist on merely class-based structures; but it can be rekindled only in the world dimension, based on the liberation of all peoples. It is to these new problems that the Italian communists--proud of their origin "in the historic course of the socialist movement in our country"--are immediately directing their planning and action.

#### CHAPTER I: The Question of Peace and the Major Contradictions of Our Era

##### Peace, Disarmament, New Order of International Relations

2. The PCI places at the center of its policy the question of peace, which, in our era, has become decisive for the progress of peoples and for the very survival of civilization and of the human species.

Hope has sprung up anew following the Geneva meeting between the two big powers, after many years characterized by a serious crisis of the entire system of international relations.

It is in everyone's interest today that the divergences manifested at Geneva be overcome and that negotiations, starting from new bases, be made to yield positive results. To this end, efforts must be multiplied to reverse the trend towards rearmament. It is not enough to rely on a balance between the major powers. It is necessary that all governments---whether or not they belong to one or the other of the two military blocs--develop initiatives of their own for disarmament and detente. A ground swell for the achievement of these objectives can be set in motion particularly by the European Community, the People's Republic of China, and the Movement of Nonaligned Countries.

The PCI has worked and will continue working, in all of its national and international centers, for a balanced and verified disarmament. A first and indispensable condition is rejection of the militarization of space,

which has its concrete expression today in the United States's SDI program. But this is not enough. The existing arms limitation agreements must be strengthened and applied in full; and, above all, effective measures must be adopted for gradual and balanced disarmament, with the object of drastically reducing all nuclear arsenals, aiming towards progressive elimination of the blocs. We are working for a concept and a praxis of reciprocal and global security, in which political factors would prevail over military ones.

For regional crises as well, the dialogue begun at Geneva can be helpful in resolving the conflicts, including those that do not directly involve the superpowers. No accord, however, can be conceived of as a dividing up of zones of influence that does not take into account the full sovereignty of the States involved. Any agreement that diminishes the autonomous role and the potential for initiative of the nonaligned countries as a group is negative towards a new international order founded on peace. It is urgent, therefore, to find suitable points of departure for negotiation, through a cooperative effort among all the States and interested forces, and based on the recognition of mutual security, the sovereignty of states, and the independence of peoples.

3. The achievement of a policy of detente cannot be entrusted solely to the initiatives of governments. The mobilization of public opinion brought great weight to bear in arriving at the initial results. The pressure of large masses, and the tenacious and constant struggle of a vast and articulated pacifist movement, are necessary. Necessary also is a vast ideological and political effort for a new peace culture.

That culture must be founded on a recognition that the terms of reference in which the issue of peace and war is being considered today have changed with respect to the past. The "atomic factor" and the impetuous development of arms technologies raise increasingly disturbing questions from the standpoint of the possibilities of civil coexistence and the eventual survival of civilization and the human species. And they raise questions from the standpoint of the immediate present as well, because they are imperiling democracies and constraining and violating national sovereignties; and because our very aspiration to a better quality of life is being heavily compromised, not only by the nightmare of a nuclear war but also by the vast waste of resources that could and should be used for the development of all peoples. For the cause of peace, therefore, movements, parties and tendential groupings of diverse ideological, political and religious inspirations must meet and work together. Disarmament, detente, international cooperation, democratic control and direct participation by the citizenry constitute the true alternative to the risks at which humanity has been put as it approaches the year 2000.

To this end, the building of a different order of international relations is decisive. Action is needed today, as of now, within respective



alliances, to provide a solid base for detente, to eliminate progressively the divisions of the world into opposing political and military blocs, and to achieve a new balance founded on a multiplicity of issues and on free and independent states superseding the bipolar political order. It is to these ends that the PCI is devoting its international action and its policy of backing the role the major international organizations, beginning with the UN, must play in world affairs. The United Nations must be vested with effective authority and a real capability to intervene in the peaceful settlement of international controversies.

#### North and South

4. In addressing the divergence between North and South, which has now reached an agonizing dimension, a vigorous political, economic and ideological initiative is needed, that will go beyond the method of "handouts," necessary though they nevertheless are to meet pressing emergencies, but ineffective for the promotion of new growth. Even when this method has been used, it has in fact not prevented the consolidating of old and new forms of economic, financial and commercial domination. In particular, in the Third World, there has been an exacerbation of the conditions be setting the countries excluded from development, increasingly caught up as they are in a spiral of debts, poverty and hunger--a spiral being made increasingly dangerous by the policy of the International Monetary Fund and the United States. But even in the countries involved in the process of industrial decentralization or in the oil boom, the mechanisms of a growth heavily dependent on foreign influences have produced profound lacerations of the social fabric, serious phenomena of depopulation of rural areas and of uninhibited movements to urban areas, migrations of millions of men, women and children fleeing from high costs of living or in search of jobs, devastation of the environment and of cultural identity, and a rising indebtedness that is the cause of an unbalanced world economy as a whole.

The experience of the last several decades has demonstrated in all reality that it is totally illusory to think that balanced growth can come about through a gradual expansion of the capitalistic market. But the transposition of management systems that are intrinsic to the centralized-planning-type economies has also proven ineffective. The need emerges ever more clearly, therefore, to institute autonomous methods of development, and of full emancipation and liberation, in the countries of the Third World. This requires--above all, insofar as concerns us in Europe--instituting and furthering a policy of cooperation and solidarity aimed at putting in motion a process of autonomous growth based on the development of the human and material resources of the Third World countries to their fullest capacity, and on trade relations built on a foundation of equality.

## Growth and Environment

5. The rapidity with which human beings are able, in historic times and through the power they acquire from technologies and the complexity of the social organization itself, to influence the global balances of the biosphere poses the question of the environment as a fundamental issue of our time.

The fact that certain effects can turn out to be stable for extremely long periods in the future, or indeed irreversible, heightens immeasurably the responsibility of contemporary humanity toward itself, toward future generations, and toward every other living species inhabiting our planet.

The crucial nature that ecological problems have now acquired demands that the safeguarding of nature and of life, the preservation of the environment, and the protection of health, assume a priority position in developmental policy and in a renewed approach to the problem of full employment.

This gives rise to the need for structural changes, to enable a transition from mere quantitative growth to a quality-based growth more in keeping with human needs.

The ecological problem cannot be accorded a regressive response, in the sense of returning to a pre-industrial society. Progressive and more advanced solutions must be found instead; to wit, a rationalization of production and consumption, and a resort to technologies that increasingly use renewable resources, economize energy and raw materials, and progressively lower contamination levels before their effects--on the atmosphere, the waters and the terrain--become irreversible.

There is immediate economic interest in an environmental protection program, because it would: Lower the extremely high social costs being paid today by the national and international communities; stimulate specific sectors of scientific and technological research; and, owing to its peculiarities, it entails investments that could create new jobs.

We communists to instilling awareness of the environmental issue in the culture and conscience of the masses and in the acts of government, and to promoting in Italy--where little or nothing has been done as yet--in the Mediterranean and in Europe, a policy, a program, and legislation that will reverse the present ruinous trend and lead to a restoral and improvement of the environment.

## The Man-Woman Controversy and the Feminist Issue

6. We communists reaffirm our conviction that the greater awareness acquired by women, their aspiration to assert their own personalities and dignity and to break old and new forms of oppression, and their desire for emancipation and liberation, represent one of the most significant realities of our era, a quantum revolutionary leap that enriches in content the very idea of progress and of the liberation of humanity.

In the Western world, a cultural and political counterattack is under way that has as its target the negation of feminist liberation ideas, from the standpoint of their general transformational value, and that in effect is tending to turn back the living conditions and opportunities that have become available to millions of women. The contradiction is thus becoming more acute between the new levels of awareness and culture on the part of women and the actual possibilities of bettering their condition. What is being repropounded in this counterattack is a concept of the family based on a sexist division of roles, hence the subordination of women; or alternatively, offering to women an aggressive and competitive model of emancipation which in reality negates liberation as a policy applicable to all and for the benefit of all women.

Despite this, the explicit demand for jobs is growing unprecedentedly, as is the quest for actualization in traditionally male professional fields. The thrust continues towards socialization of needs and towards a diverse quality of individual and collective life. Women's aspirations to freedom and to self-determination in the domains of sexuality, procreation and family life are being asserted. Old and new forms of violence--sexual violence being the foremost among them--are being repudiated.

Breaking the dominance of one sex over the other has been and is the objective that unites the women of diverse conditions and orientations in demanding a profound transformation of the economy, the social organization, the culture and political order. The sexual division of labor, in the marketplace and in the family, is a constitutive element of the capitalist society in its material aspects and system of values. Women's right to work and the socialization of individual and collective needs are two decisive conditions for defining the quality of growth and for defending and reforming the social State.

Collective and individual freedom, equality and the respecting of diversity, and organization of labor and organization of life are indissoluble dual concepts that characterize women's political subjectivity and that demand profound structural and cultural changes. Women are stressing to the political order the urgency of renovating itself, of expanding its content and frames of reference, its forms and modes of organization. Fundamental for us communists is our conceptual and practical accord with these new levels of awareness.

#### Technological Innovation and Jobs

7. We communists reject the thesis that a modern industrial society must necessarily coexist with mass unemployment, the downgrading of workers, and the accentuation of the authoritarian nature of discipline in the performance of work, during phases of technological change. Changed conditions and conditions involving unprecedented characteristics call for reviving the issue of full employment at higher levels of qualification and autonomy, as an issue central to any new growth, and fostering around it (as around the issues of the workweek and working hours) the broadest convergences among the diverse social, political and cultural forces.

The shocking and ever-widening gap between the enormous possibilities being offered to mankind by scientific and technical development and by the crisis of old forms of rationalization of labor, on the one hand, and the rising number of jobless and, more generally, the proliferation of old and modern forms of exclusion, on the other, is unacceptable. The growth of joblessness, above all among youth and women, and as much in the industrialized countries of long standing as in the developing ones; the widening imbalances between individuals, between classes and between States; the fact that even in the most highly developed countries a significant segment of the population (the disadvantaged, the jobless, the aged, immigrants, etc...) is condemned to live in poverty: These are the proofs that one of the basic contradictions of capitalism is again manifesting itself in its tendency to use the vast potentialities of the technological revolution solely to expand profits rather than in the general interest. This brings forcefully to the fore again the urgency of changing the growth mechanisms of the capitalist societies.

#### Information and Democracy

8. Modern societies are increasingly characterized by the production, accumulation and distribution of information, and conditioned by the international information-processing system. The extraordinary growth of resources and of information-processing technologies, to say nothing of networks and mass-communications media, is opening unprecedented possibilities for the diffusion of knowledge, productive growth, the cultural enriching of peoples, and the growth of democracy and of cultural and political pluralism. But the accumulation of information, its distribution and its control are ever-increasingly being concentrated in the hands of a few.

In the information sector, in the cultural industry and in the new technologies of communication, a centralized and increasingly unbalanced system (data banks, information-processing agencies, advertising oligopolies) is taking shape on a world scale. This puts the world's entire South at risk of being excluded from access to the most advanced technological breakthroughs, the indispensable factors for development. It is also spawning forms of imbalance and dependency--even in the European countries--that are already manifesting themselves in the information and mass-communication sectors, with an objective choking of cultural freedom and artistic creativeness.

The defense and development of democratic institutions--as well as of national sovereignty and autonomy--will be increasingly dependent on the productive capacity, the autonomy, the balance and the pluralistic makeup of information and mass-communication systems. The struggle for the defense and broadening of the freedom of expression and of its premises and means, from the publishing industry to the movies, thus becomes essential.

The need to control these processes puts the regulative and democratic-support functions of our national political institutions in new, more

complex, but more decisive, terms. Democratic control of the processes of formation, accumulation, and transmission of information, and the visibility of the decisional sources and processes, constitute new and fundamental areas of concern from the standpoint of constitutional freedoms and individual rights.

#### The Conservative Offensive, Its Contradictions, Possibilities of Recovery of the Left

9. In the area of the most highly developed capitalist countries, of which Italy is a part, the conservative offensive--which has made itself amply felt the last few years, politically, economically, socially and from the standpoint of mass cultural orientation--has brought with it high social and human costs and has produced a general worsening of tensions and imbalances, without having succeeded in triggering a general recovery of economic growth. In view of the emergence as well of the, by now, abundantly clear limitations and contradictions of the conservative positions, the PCI holds that there is today not only the need for but also the possibility of a vigorous resurgence of the forces of the Left and of progress, provided their political and ideological vitality is extensively renewed.

The challenge of the "New Right" has not been presented as merely a return to the past. On the contrary, it has been posited as a "more modern" response, predicated on authority and efficiency, to the crises of the democratic political systems as well as to the obvious difficulties (fiscal deficit, bureaucratism, dysfunctions) being experienced by the social State. The true objective of the conservative offensive, however, has been to increase capitalistic control over a phase of intensive technological restructuring, limiting the potential for intervention by the State (deregulation), diminishing the power of unions, and reducing the share of the revenues that must be allocated to the wages of workers and to social expenditures. An essential role was played in this operation by the ideological campaign waged against the ideas of equality and solidarity, and designed to revive the myths of frustrated individualism, and to propound again a view of society based on competition and victory of the strongest, with the inevitable creation of vast areas of disadvantaged and excluded human beings, particularly among emigrants, who in many countries today are having to endure intolerable manifestations of xenophobia and racism.

10. The contradictions of the conservative offensive and of the neo-laissez-faireist practices this offensive has unleashed are emerging today with greater clarity. The high interest rates and the iniquitous rules of the marketplace being imposed on the developing countries have ruinously aggravated this condition. In the most industrialized area as well, imbalances between State and State have been exacerbated and unemployment has risen to intolerable levels. Even in the United States--which under



the Reagan Administration has become the spearhead of the conservative attack--the bolstering of the military-industrial bloc has been accompanied by the progressive weakening of a substantial portion of the American economy and society.

In this context, the "Star Wars" project is to be seen as aimed not only at galvanizing national pride, but also at attracting resources, experience, and industrial and scientific capacities from the other capitalist countries to the United States. At the same time, behind the laissez-faire facade, this project calls again for a determinative role to be played by the State, and what is worse, in the sense of orienting a large part of the economy and technological development to the growing militarization of space.

These destabilizing results of the conservative offensive confirm the existence today of the requisite conditions for relaunching with greater force and on renewed bases a strategy of reforms and democratic advancement.

## CHAPTER II: Europe and the PCI's Views on International Policy

### The European Choice

11. The European choice is fundamental to the policy of the Italian communists. This is not only because Western Europe is where we live and struggle, but because we feel ourselves heirs of and participants in everything there is of democratic, of advanced, and of progressive in the history and culture of our countries [as published]. There is today in Europe a sharp contrast between, on the one hand, serious risks of technological backwardness [economic] stagnation, social regression, and political decadence, and, on the other hand, real possibilities of growth. The choice of course to be followed characterizes the present difficult moment of political, ideological and social clash with those opposed to the process of unification and achievement of an independent role for Europe. Western Europe has a wealth of human and material, productive and technical-and-scientific, and intellectual and cultural resources. But it also has the highest rate of unemployment among the developed areas. Its production is sluggish. Politically, it does not participate in its own right in negotiations that are vital to its destiny, like those concerning atomic arms stockpiled on its territory.

Europe benefited from the last phase of detente in international relations, and has been hard-hit by the period of severe tension that has followed. There has been no lack of attempts on the part of political forces, and also of European governments of both blocs, to oppose this tendency and keep the dialogue open. But on the whole, these attempts have resulted disjointed and weak. A new course for international relations, however, is hardly conceivable unless Europe plays a more active role.

The Reagan Administration's policy has exhibited more than a few anti-European aspects. Europe has been placed before a number of accomplished facts in the monetary, economic, strategic military ("Star Wars"), and general political arenas. The pressure to increase its subordination to the United States has been constant. In this case as well, the European response has been insufficient. Nevertheless, these phenomena have stimulated the conviction, especially among the forces of the Left, that, with respect as well to the Atlantic Alliance and the historic ties that have been built between Western Europe and the United States, the interests of both parties frequently do not coincide.

This subaltern view of European-American friendship is thus increasingly being opposed by another concept wherein Europe's indispensable and fertile tie with what there is of democratic, liberal, advanced and progressivist in the American culture, political life, and society, requires a dialogue between the two parties as between equals, and not a slavish adherence to every instruction that comes from Washington. This is also our conception.

Western Europe has an independent function of its own to fulfill in the world. This is one of the fundamental reasons that impel the growth of the European Community into new forms of supranational political units. It necessitates a realistic and open examination of the factors that have put and continue to put the European Community at risk of shrinking in scope to nothing more than a free-trade area, and that have led "Green Europe" into crisis. These negative factors stem from nationalistic and personal views that divide the Left, as evidenced by the recent Luxembourg summit, but that are exacerbated by the inadequacy and superannuation of the instruments provided by pacts signed 30 years ago. This is why the PCI is fighting to reform them and, in particular, to confer adequate powers on the European Parliament, in the conviction that greater unity cannot be achieved without a broader-based democracy.

The democratic unity of Europe, a unity that regards the forces of the Left as protagonists, is a need born of objective exigencies, such as the growing internationalization of the economy and the difficulty that confronts individual countries trying, without a coordinated effort, to meet the challenges of the technological renaissance. That too, however, is for us an informed and deliberated choice that expresses our renewed internationalism.

#### Relations With the European Left

12. The PCI is a full-fledged member of the European Left--a member with its own peculiar physiognomy, which we have constructed during these years, its full international autonomy, and its irreversible choice of a socialism founded on a complete unfurling of democracy and freedom.



Over the past 10 years and even now, the workers movement of Western Europe, in all its components--communist, socialist, and social democratic--has undergone and is still undergoing toil and a quest that in many aspects are common to all. Even in the sphere of diverse individual experiences, the movement has had to confront the problems created everywhere by the conservative offensive, the vast technological and productive changes in progress, and the changes in our society. The delays with which the various forces of the Left have confronted the new tasks that have arisen have frequently not differed. There have been and there still are risks of sectarian castling or, conversely, of falling in line submissively with neo-laissez-faireist tendencies. Sectors of the European workers movement have endured profound crises. This has been the case of some socialist and various communist parties, which have suffered serious organizational and electoral setbacks. But notwithstanding these phenomena, the Left as a whole has vast and manifest potentialities: To it belongs the decisive role in the overcoming of the economic, social and institutional crisis, both in its aspects specific to each country and in those common to all of Western Europe.

Europe's forces of progress are not limited to the parties of the workers movement; outstanding among these in fact are the new pacifist and ecologist movements and, from another standpoint, religiously inspired movements and organizations.

These forces have before them a great task in common to accomplish, without reciprocal prior ideological assumptions, without historic forsakings of their own experiences, but with an informed critical approach and a courageous revitalizing of their thinking and of their political praxis.

Within these terms of reference, a fundamental contribution can be made from the experience of the European union movements deeply rooted in the working masses and the democratic tradition of the European countries.

It is our desire and our ambition to contribute to the rapprochement of the two major endeavors--the socialist and the communist--of the workers movement, to the search for a solution to their historic divisions, in our conviction that this approach can result in a major rebound of our effort to reform Western capitalist society of the West.

#### PCI and Forces of Progress and Liberation

13. Our European viewpoint does not limit but rather adds to and strengthens our commitment to collaboration and solidarity with the progressive forces and national movements of liberation and emancipation throughout the world.

The PCI will continue to support those peoples who, in Latin America, in Africa and in Asia, are still waging hard-fought battles to achieve their

rights to freedom, self-determination and national independence, and will contribute to the peaceful settlement, on the basis of these same principles, of any conflicts that may arise among them. We express today our positive support of the process of democratic reconquest and autonomous development that is taking place in numerous Latin American countries.

The European forces of the Left and of progress are also called upon to assist the young African states to rise out of their conditions of backwardness and to prepare themselves for a breakaway towards an autonomous, independent and democratic development.

In these battles for freedom, justice and development, the European Left must seek a convergence and cooperation with all the national and democratic forces of progress in countries of the Third World, with the nonaligned countries movement, and with the Peoples's Republic of China.

#### PCI and Countries of 'Real Socialism'

14. We Italian communists reaffirm the great historic significance of the October Revolution, the power and decisive role brought to bear by the people of the Soviet Union on the defeat of nazifascism, and the importance of the fact that, after the Second World War and the victory of the Chinese Revolution, one-third of humanity chose the course of noncapitalistic development. We at the same time confirm the view expressed at the 16th Congress as to the fundamental limits that, in general, characterize the societies--diverse though they are among themselves--born of that experience. We Italian communists have long held that those societies not only cannot, in any way, be taken as a model for other countries and particularly for those structured on the basis of representative democratic systems; but they are in fact in the grip of serious and as yet unresolved problems in their economic, social and political lives. This is why, in the previous Congress, we called for a policy of "broad-based, profound and incisive reforms." Today, we renew this call, while viewing with attention and interest the start of reform policies or any innovative initiatives in this regard that may already be under way in these countries.

We are convinced, however, that the need for new forms of management of the economy cannot be separated from the need to foster forms of democratic life, of individual freedom, of political participation and of popular initiative.

Our autonomous view of international relations, free of ideological biases and of allegiance to any camp--a view that is the fruit of dedicated thought and refinement over a long period of time--has inspired our attitude in our foreign policy choices. In addressing the bitter tension that has developed between the United States and the USSR, we have from time to time indicated what blames, in our judgment, were imputable to one side and the other, just as we have supported and urged any and all steps toward the easing of tensions, regardless of their camp of origin.

With the same spirit of objectivity, we express appreciation of the strong recovery of political and economic initiative by the new Soviet leadership towards detente and disarmament. We attach great importance to the new orientations evident in the unfolding of the foreign policy of the People's Republic of China involving large-scale initiatives and constructive positions from the standpoint of peace, detente and new international relations. We confirm our appreciation of the role being fulfilled by Yugoslavia in the nonaligned countries movement.

It is our view that a contribution to detente and to the intensification of friendly relations and cooperation at the international level can and must ensue from initiatives undertaken by the individual countries of the two blocs. Our call for greater autonomy for the countries of Western Europe must be considered valid for the countries of Eastern Europe as well.

#### Relations With the United States

15. We Italian communists express our desire to develop our dialogue with the democratic and progressive currents [of opinion] within the political, social and cultural life of the United States.

We appreciate the democratic traditions of the American people; we remember the fundamental role played by the United States in the war against fascism and nazism; and we are aware of their importance in world life and, in particular, in the Western reality of which Italy is a part.

We Italian communists indulge neither in anti-American sentiments nor in advocacy of conflictuality between Europe and the United States. We do, however, demand for Italy and the other European allies full parity within the Atlantic Alliance and NATO, based on mutual respect.

This view, on our part, of relations with the United States does not conflict with the struggle we Italian communists have always waged and will continue to wage against any and all manifestations of dominance coming from that country, be it against liberation movements or within the strategic military, political and economic sphere of international relations. Nor does it conflict with our decided opposition to the conservative policy of rearmament, of seeking world supremacy, and of arrogant interference in the internal affairs of other countries--including its own allies--which the Reagan Administration has pursued until now. This policy, which poses serious threats to peace, to the needs of mutual security, and to international cooperation, must be resolutely fought against. And it can be effectively fought against, as evidenced by the difficulties the United States' foreign policy is experiencing, which are provoking divisions and conflicts even within the present Administration.

To this end as well, we Italian communists reiterate our faith in the democratic energies of the American people and consider important a cooperative relationship with their most advanced political and cultural expressions.

## The New Internationalism

16. We Italian communists develop, absolutely independently, our international relations, and, fully autonomously, plan our strategy and implement our policy. The PCI is not and does not feel a part of any ideological camp or of any movement organized at the European or world level; it labors to realize the high ideals of peace, freedom, respect for human rights and the rights of peoples, justice, and socialist transformation, and seeks convergence and cooperation with all the forces that throughout the world are battling for these objectives.

Addressing and adequately resolving the enormous problems our contemporary era places before the workers movement and the forces of democracy and progress requires doing away with outdated doctrinary models and sectarian and partisan praxes, and seeking, instead, forms of intervention and action that involve, together, the forces drawn to the workers-and-democratic movement of Europe and of the world as a whole.

The new internationalism propounded by the PCI expresses awareness of the great problems we are being called upon to address, and the need to establish new relationships among the communist, socialist and social democratic, and labor parties; the national and progressive liberation movements; the laical or Christian- and Catholic-inspired democratic forces; the labor unions; and the pacifist and ecologist movements.

With this view, and exercising its full autonomy, the PCI will intensify its initiative in all these directions, at the international level, and without privileged relationships with anyone.

## CHAPTER III: Transformations of Society, Essential Choices for a New Course

### A Society in Motion

17. The characteristics that have marked the Italian society's recent development have put in crisis the old model of society and have brought forth new problems for all the social and political forces.

The recently attempted operation aimed at moderated stabilization is meeting with rising difficulties and contradictions. At issue is the old mechanism of formation, distribution and allocation of capital resources. This is occurring not in a situation of stagnation but rather at the height of vast innovations and transformations in the productive and social arenas. In reality, not just the Italian society has changed. Also changed, through impressive restructurings, is the entire world framework of which the Italian economy is a part and within which it moves. This is the most truly real terrain, the most demanding challenge, for all.

### Starting From Change

18. In view of these innovations and transformations, which are changing the political frame of reference, the PCI must update and renew its mission as

a force for change and government. It is not a matter of satisfying a party exigency but of responding to a need of the Italian society. The PCI's identity is defined in this quest as well.

An essential objective is to advance the workers movement in step with the new issues and new protagonists of the Italian society, whose social stratification is being so profoundly transformed. Two opposing risks must be avoided: that of casting the movement's force into a position of corporative conservation, of estrangement from and resistance to the exigencies of modern change; and that of subordinating the workers movement to the restructuring processes.

The movement must absolutely be advanced beyond a corporative and defensive frame of reference. The workers movement must be informed as to the problems created by development, as to the fact that the present system cannot resolve them without profound structural changes. But for such an undertaking, a full awareness of the processes taking place is essential.

#### Modernization and Contradictions

19. The modernization of the country has been a significant and positive occurrence, but--because of the total absence of planning--it has failed to resolve the long-standing contradictions and, instead, has added new ones.

In the economic sphere, the industrial structure has been greatly changed, as regards both size of enterprise and territorial distribution; but industrial production has dropped and has not returned to average 1980 levels; moreover, there has been a further concentration in the North at the expense of the South. Some enterprises have been brought back to life and are operating at top world market levels. The majority of these, however, produce goods of a traditional type, hence widen the gap between our production of intermediate- and high-technology-intensive goods and that of the more advanced countries.

The phenomenon of diffused entrepreneurship has spread further and taken root over the past decade. This is evidenced by: the doubling of the number of small- and medium-sized businesses; the sizable increase in numbers of specialty businesses, stemming in part from the introduction of the new skills; and the taking root and development of the cooperative movement and of associative forms. Among other things, this process intensifies objective differentiations and confusions between small and large businesses that are manifested in the issues of: availability and distribution of resources (fiscal policy and governmental incentives); the organization and operation of the relationship between the business world and institutions; and the building of a new relationship with the labor unions. This involves differentiated attitudes and policies on the part of the democratic movement.

In many cases, the PCI and the democratic movement have been reference points in a process of social mobilization and of positive modernization of the productive structures. Diffused industrialization, however, entails the need



of an advanced tertiary sector able to supply modern "real" services [services involving rental of durable consumer or capital goods], and of an active policy supportive of small businesses. Otherwise, the risk increases that entrepreneurial growth will be accompanied by an expansion of the sub-merged economy, of bootleg wages, and of the imbalances that characterize the labor market.

Profound transformations are taking place not only in the industrial economic sphere but, although with significant delays, also in the banking and financial sphere, and in relations between these two spheres. A process of disintermediation on the part of the banking industry is setting in; and new financial intermediaries and instruments, and new forms of mobilizing savings and of financing productive and business activities, are emerging, involving capital from private and public industrial, banking and insurance sources. The occupying of positions of predominance in the financial sector is taking on an increasingly strategic character and is becoming the object of sharp conflicts between the economic and financial interests on the one hand and political interests on the other, spawning various power configurations in our country.

In the social arena, the process of the restructuring of productive configurations has accelerated the change in the class composition of the country. Industrial employment has dropped. Tertiary activity continues on the increase. The characteristics of blue-collar work are also changing, but the retraining processes are involving a minority, whereas the flexibility of the most recent technologies would accommodate a much broader upgrading of work categories. The proportion of technicians and of salaried and self-employed workers specializing in the new services and intermediations is growing. Social changes have thus been and continue being large-scaled. Fundamentally, however, there has been no change, or at least no significant change, in the existing imbalances between the bottom and the top of the social scale and between the North and South. The areas of poverty are not only still extensive but are acquiring unprecedented dimensions and characteristics.

The issue of Southern Italy remains the Italian society's biggest unresolved problem. Not only because of the income and consumption gap, in quantitative terms, but also because of the growing technical and scientific innovational gap from the standpoint of productive, cultural and environmental structures. The phenomenon involves not only the rural areas, but also the big cities and, above all, the broad fabric of medium-sized cities that is typical of Italy. In this sense, the parameters of the Southern Italy issue are changing, and its national scope is becoming increasingly evident and acute.

In the cultural sphere, the transformations of the productive system and of social stratification have become intertwined with profound and positive changes that are in part the fruit of a more extensive diffusion of knowledge and of a higher level of well-being.

A seeking of interpersonal relationships based on equality and of another role of the family; higher and more diffused cultural and training needs;

a seeking of greater responsibility, initiative and creativity on the job; a greater sensitivity to problems of the environment; a desire for more advanced forms of solidarity: These have been the essential motives behind the advent of new movements and the upsurge of new social issues: These positive changes intertwine and clash with the expansion and spread of negative facts and behaviors, nurtured by the exaltation of an exasperated individualism, by Restoration-minded outbursts against the women's liberation movement, by the expansion of areas of exclusion, of condemnation to backwardness, of new poverty, and by a welfare concept of state intervention that fosters corporative incentives. The scourge of drug addiction is radicalizing. Instead of contracting, organized and diffused criminality is expanding.

On the democratic front, the aspiration to freedom and to more extensive civil liberties has grown; Italy has resisted a dramatic attack against democracy waged by hidden power centers, by sectors of the intelligence services, and by terrorism--thanks, above all, to the vast mobilization of the people, of which we communists were among the essential inspirers and far from a secondary component. Presently, however, Italy is dangerously beset by a proliferation of decision centers outside of its institutions, on fundamental issues of public interest. Attacks have been waged on the prerogatives of Parliament and efforts have been made to de-legitimize the Magistrature and subordinate it to the Executive. Party control over the information media is increasing. And the moral issue remains unresolved: Degenerative elements persist in political life. These trends stem primarily from the incompleteness of democracy, but also from the machinations among sectors of the institutions, sectors of the political world, and large-scale organized crime. The Mafia- and Camorra-connected organizations are the very expression of a subversive, antidemocratic design. They avail themselves of terrorism and assassinations, wield a powerful influence over political life in vast areas of the country, and, through the drug traffic, constitute an enormous financial power center, a "criminal economy" sector that intertwines with the legitimate economy, that distorts the economic givens and threatens the independence of the business sector; they work against democracy in order to maintain and expand their own economic power. The impunity attendant upon incidents of violence having their roots in the faithlessness of essential apparatuses of the State and in political collusions is eloquent.

#### Constraints on Growth and Crisis of the Social State

20. The concept underlying the economic policy that has been pursued over the past several years is in crisis. The idea that the key, the stimulus, to growth could be the containment of the cost of labor has not stood the test of reality. In the absence of selective and structural interventions, the gap has widened between our processes of restructuring, conversion and technological innovation, and those under way in the stronger countries. The two structural constraints--the foreign one, strengthened by the



relative technological and productive backwardness of our country with respect to other capitalist countries, and the budgetary one, determined by the State's financial crisis and by the quality of its expenditures--constrain and limit the developmental capacity of our economy and of our democracy.

We are in the presence of a crisis of the mechanism of capital formation. It serves no purpose here to go back over the historic reasons why Italian capitalism has developed over shallow bases tightly intertwined with parasitism and financial speculation, and in a perverse relationship with the State and public funding. In recent years, however, the crisis has been aggravated by the policy choices of the forces of government. The five-party coalition, in part because of its internal paralyzing contradictions, instead of coming up with the necessary innovative choices, has left regulation of the economic restructuring process to monetary policy and the rationale of the marketplace.

Savings were activated through high interest rates to finance the needs of the State, avoiding having to come to grips with the "hangers-on" structure of the budget and the low quality of expenditures and revenues. Our warning that this would penalize productive investments, provoke a perverse allocation of funds, and divert wealth towards the unearned income sector was arrogantly and blindly rejected by the officials of the Government. The high exchange rate compelled firms to restructure savagely, cutting back their labor force to the utmost and impeding the development of new sectors and new product lines. This policy choice, in all truth, was also urged by the executive group of CONFINDUSTRIA [General Confederation of Italian Industry]. In this way, the unions would be weakened, and full control of wages and over the rationalization of labor would be recovered. The financial profits were supposed to offset the productive cutback. The result has been the crisis of the mechanism of capital formation.

This policy has reduced our productive base and brought about the abandonment of or the transfer of essential production abroad. Firms have recovered profitability but by lowering their break-even points to more modest levels of production. Thus, the [combined] foreign and budgetary constraint, instead of easing, has tightened its grip, and firms have recovered profitability by increasing productivity but producing and employing less. At the same time, public funding has subsidized the technological renovation of the industrial apparatus with massive appropriations, and has had to shoulder the burden of the consequences of this policy in terms of the Wage Supplement Fund, early retirements, lower tax revenues because of the productive slump, more welfare, and more torrential transfers of funds. The result is a vicious circle: stagnation of production, increase of the deficit, rising interest on the public debt.

The State's budget has ceased being an instrument of economic policy and is becoming an instrument for financing unearned income. Structurally,

what is occurring threatens to suffocate our growth and declass our country. That is, our dependence on the foreign world is growing, so much so that within 10 years the foreign component of our investment in capital goods will increase from the level of 25 percent to that of 40 percent. And it is not by happenstance that Italy is the only one among the industrialized countries that over the past several years has registered a rise in the relative level of its low-technology exports, and a drop in that of its advanced-technology exports. The risk of a stunted growth and of a jobless future for coming generations is upon us.

In this situation, the crisis of the social State in Italy has worsened. This is the result of a policy in which the DC [Christian Democratic Party] orientation has finally prevailed--a policy designed to further the interests of the privileged sectors, to contain the pressures for reform, and to foster subsidization and corporative interests. Hence, the growth of public spending unaccompanied by the instituting of an equitable and efficient tax system.

An effective recovery of our economic health cannot be had, as our experience of the past several years has shown, through merely restrictive policies and spending cuts that hit the weakest and least protected component of the population, and that do not address the structural causes of inflation; and without promoting a different quality of growth, and elevating the effectiveness of state spending and the efficiency of the public administration function.

However, the primary target of budgetary policy continues to be the cut-back of social services, the raising of tariff rates, and the containment of investments, while fiscal policy, even after the most recent modifications, remains severe for earned incomes from employed labor, and has, for the most part, been eased for higher income levels. It is clear, therefore, that the policy line being followed is such as to aggravate the social contradictions together with the problems of the economy, putting an added strain on the latter's structural weaknesses.

#### Two Conflicting Policy Choices

21. The nature of the crisis, which is inherent in the process of change, carries with it the alternative between two opposing choices. The first consists of counting solely on those segments of the industrial sector, the farming sector and the tertiary sector that have already succeeded in reaching the top level of competitive capacity. This means doing away with a large part of the country's productive potential.

A choking of our productive capacity would bring with it a rise in spending on welfare and a burgeoning of the public administration, commercial activity, and low-productivity services.

A similar choice would consist of perpetuating the [present] structure of our society with its very low rate of capital formation, while integration increases the already abjectly subordinate characteristics of our economy, and while the distribution of income worsens and polarizes. Still another similar choice would involve the rending of the country and the further condemnation of Southern Italy to backwardness for a long time to come.

The second basic choice, underlying the concept of a democratic alternative, consists of upgrading the country's entire productive structure--and not just its most advanced segments--to meet the new challenges of our time. This means increasing the number of producers, pursuing the goal of full employment, and creating the economic and financial conditions for the revitalization of the process of capital formation on the basis of new concepts. It means according priority to the Southern Italy issue, positioning it at the center of a policy designed to regulate and promote a large-scale productive and economic conversion, a new use of sciences, technologies and innovations.

Central to this view is the recognition that an upgrading of labor is an essential component of a new quality of growth, and is also fundamental from the standpoint of giving the scientific and technological revolution a sense and a direction, steering it towards the satisfying of mankind's deepest needs, to wit, civilization, culture and freedom. This also calls for a different ultimate goal of growth, which, distancing itself from the productive-ist course inherent in the old consumerist model, will pose the problem not only of the quantity, but also of the quality of what we produce and the purpose for which we produce it.

The transition to a new quality of growth necessitates a profound change in the characteristics of the services, the public function and the mechanisms of government.

The very state of the economy, in itself, poses immediately, the need for reform of the State, of the public administration function, and of education; it poses the need, therefore, for democratic renovation.

From the social changes and the processes of innovation in the economy, the need also ensues to open a new phase in the political life of the country, characterized by the possibility of a change in the direction of government. It is unthinkable that a phase of intensive change in our society can be interpreted and regulated by a stalled political system, without resulting in ever more serious inefficiencies, a process of degradation, and a real and true distancing between society and policy.

The technical and scientific revolution is producing effects rapidly, at a heretofore unthinkable speed, in our economy and society. A phase in which changes and innovative processes are not being knowledgeably steered and regulated must be superseded. Different and opposite responses are possible to the new conditions created by the technologies in regard to democracy,

economic choices, employment, and relation to the environment. Such alternatives can be addressed positively only if innovation is socially oriented.

#### Crisis of the Five-Party Coalition

22. The crisis of the five-party coalition stems from the inability of an economic and political strategy to respond positively not only to the historic problems of the Italian society and democracy, but to the challenges of modernization, to those of our opposition and struggle, and those of other democratic forces, which have limited the coalition's popular consensus.

The five-party coalition represents the attempt made from 1979 on to bring to the social and political crisis that beset Italy during the 1970's a moderated stabilizing solution that could sidestep the more advanced forces of renewal, and that would be in keeping with the restructuring processes that were under way in the productive organization and social relationships.

The policy pursued over the past several years by the five-party majority governments has been strongly conditioned by the neoliberal concept that the shrinking of wages, the cutting back of social spending, and a general deregulation of relations between the State and the marketplace could create the conditions for a recovery of growth.

That target was missed, and the concessions made to neoliberalist ideology served above all to obfuscate the view propounded during the decades of the recent past, even by forces of the present majority, of a freer and more equitable society capable of defeating poverty and backwardness and of ensuring social and civil progress.

But the adoption of the conservative course also prevented the reorganization of political life and of methods of operating the public function, which was and is an indispensable prior condition for putting an end to the praxis that deteriorates employment and splinters the State, and for barring those degenerative processes in the operation of the institutions that are at the root of the moral issue, that constitute an ongoing threat to democracy, and that render more difficult the struggle against the hidden power centers and large-scale crime. This is why the moral issue, unresolved as it is, remains more than ever a central node, an essential problem for the life and growth of democracy.

The extending of the five-party alliance to the Regional and Local Councils--even where an ample majority of the Left was possible--has interrupted an extraordinarily valuable experiment in the process of renovating administrative life, and has been a further factor in the deterioration of democratic life, owing to the blow dealt to the constitutional principle of the autonomy of the Regions and the local administrative bodies.

The PCI raised no prejudicial issues with respect to a socialist Presidency. On the contrary, when Craxi took office in 1983, the PCI emphasized that his taking over of that office was the result of the defeat inflicted on the attempted shift to the Right by the DC, and therefore stated its intent to await the putting of the Government to the test of action.

In the course of an experiment lasting more than 2 years, it was indeed this Government's actions that made clear--in particular, with its decree on labor costs, its installing of the missiles at Comiso, its cutting back of social spending, and its backing of the five-party coalition's choices for the [Regional and Local] Councils--that this Government was deepening the divisions of the Left and within the forces for reform, and was favoring, instead, as events have proven, a recovery by the DC. These actions also made clear that the struggle by us communists, bitter though it was, against a policy considered erroneous, never in any way prevented us from backing measures or actions that were positive--as we amply showed during the hijacking of the ship Achille Lauro, with respect to Mideast policy and the defense of our national independence and sovereignty.

#### Need to Supersede the Five-Party Coalition

23. The five-party coalition has not succeeded in taking on the character of a strategic alliance as propounded by the DC, and has not even succeeded in defining and putting into place a significant joint program.

The attempt to exclude and isolate the communist opposition has failed. Failures with respect to the major issues of the economic recovery, the productive rebound, and the struggle against unemployment have created embarrassment and tension even within the ambit of governmental functions. It is significant that profound dissents have manifested themselves in the realm of foreign policy, with the emergence of views within the Socialist Party and sectors of the DC advocating a more autonomous initiative in Italy's international policy, especially with regard to the Middle East question. The fact that the controversy, which went so far as to bring about the Craxi Government resignations, exploded around a matter that calls into question political issues of the utmost significance, such as those regarding our national autonomy and sovereignty, reveals the precariousness and incongruousness of the five-party coalition.

The wearing down of the formula, however, does not automatically trigger the delineation of the conditions essential to the realization of the democratic alternative. It would, on the other hand, be a mistake to wait for the existence of these conditions in order to develop the initiative for the alternative to the fullest. On the contrary, only by putting this initiative into action beginning now--to wit: attacking the real situation; starting a large-scale unitary collation of views among the political, cultural and social forces; broadening the base of the struggle's movement; and pursuing concrete convergences based on affirmation of the centrality of programs--can the power ratio be changed and the direction in which the country is heading be significantly changed.



The makeshift and precarious way in which the recent crisis was closed, and the new factors that have emerged in the talks among the parties, make it clear that the entire situation is again in a state of flux, that a new phase has opened, central to which is the concrete possibility of superseding the five-party coalition.

#### Renewal of Ideas of Forces of the Left

24. The urgent need to knowledgeably guide innovation calls for ample capacity for renewal on the part of all forces of the Left. Large-scale forces of the European Left are at work revising their planning, political and cultural instruments for greater effectiveness in combating the influence of the neoconservative Right, an influence that has stemmed in part from real changes and that can no longer be adequately opposed by merely propounding ideas of progress.

The complex and articulated social composition of the country, the disarray and fragmentation of the classes, the growing diversity among the workers, the attempt by the "more powerful" sector of society to compel acceptance of the social degradation of the weaker sector, all call for a renewed capacity and willingness to unify among the forces of progress.

The most difficult and demanding strategic problem facing the Italian Left and the communists is that of forming, through the definition of a few fundamental platform options, a new social configuration that will link up the weaker sector of society with meaningful components of the more powerful sector. Alliances and convergences among the blue-collar, the technician and intellectual worker classes, the specialist worker classes, and the new movements based on the needs and quality of life must be worked out on the basis of platforms and a few high-minded concepts.

The unifying element is labor, the actualization of its creative potentialities, and the use of modern technologies and entrepreneurial capacities to achieve full utilization of human and material resources, an expansion of democratic practices in the workplace, and a qualitatively new growth. The pressing need is to regulate the marketplace, whose function is essential but cannot be left to the whim of its spontaneous tendencies.

Regulation of the marketplace and programming do not boil down to an array of constraints, nor, much less, to forms of bureaucratic controls. The purpose is to establish democratically such compatibilities and social and economic objectives as will orient production as a whole towards innovation, towards the fulfilling of needs and higher aims, the expansion of culture, the protection and improvement of the environment, and a more extensive solidarity.

The processes of socialization, of association and of cooperation--along lines that, synthetized on a higher plane, can supersede both bureaucratic statism and neoliberalist theories--can be extended to this realm of ideas as of now.

## Essential Platform Choices

A new pro-reform alliance must be based on precise platform options. Therefore, a specific set of program planks is hereby submitted for debate by the Congress. The essential choices are explicitly indicated hereunder:

### A) A Foreign Policy of Peace

The objective of advancement and transformation calls for a foreign policy of international cooperation, peace and "Europe-ism," all solidly anchored in our national independence. This involves three essential choices:

1. A policy of balanced and verified disarmament as a /framework and basis [in italics]/ also for the effective policy of security that is necessary for Italy and Europe.
2. A policy that actualizes a united and democratic Europe through the creation of the European Union and that calls for immediate common policies in the monetary, economic (unitary market), industrial, and scientific sectors.
3. A policy that bases the worldwide North-South relationship on another set of factors, not only for obvious reasons of solidarity, but also because a new international economic order is, in the long run, indispensable for even the developed countries.

### B) System Innovation

For a more modern, more equitable, more democratic Italy, more solidly anchored to Europe, and protagonist of the search for an advanced solution to the major contradictions in the contemporary world, there is need of a real and true /system innovation [in italics]/, in the context of the European option, international cooperation, and a policy of peace. Innovating the system means creating the basic conditions for: addressing the crucial issue of jobs; an honest, all-inclusive, incomes policy; a decided advance of the processes of economic, technological and political integration of Europe; and establishing social justice and equity as fundamental criteria for a modernization and transformation of the country.

This involves:

1. A renovation of the State through: a profound reform of the Parliament and the Executive; a regeneration of regional decentralization and the reform of local autonomies; a revitalization and streamlining of the public administrative function; the struggle against the Mafia, the Camorra, and the hidden power centers; all with the objective of increasing participation and control by the citizens, and at the same time the speed and effectiveness of decisions;



2. A policy of effective transformation of the economic and social structures, and a regulated diffusion of the new technologies within those structures; a general expansion and upgrading of the large-scale service networks (telecommunications, transportation, energy); an expansion and modernization of agriculture;

3. A reform of the social State that, through a renewal of the process of capital formation, will guarantee the pursuit of full employment; a redistribution of income aimed at social justice and greater equality; and a reform operation designed to eliminate waste in, and improve the efficiency of, public programs and services. Also through a profound reform of the tax system to actualize the proportionality and progressiveness provided for by the Constitution; [this passage as published]

4. A real and true quality leap in the complex systems of education, occupational training, and scientific research; a reform of the information-distribution system that will guarantee the conditions for a true pluralism and that will promote a general recovery of the cultural industry;

5. A shift of general economic policy towards Southern Italy and a profound reform of the State special [financial and industrial] intervention system and of the entire system of regular budgetary and special public spending;

6. A search for original forms of economic democracy, control and democratic intervention in the process of capital formation--using also the research and experiments of other European socialist forces--that will also provide for the diffusion and support of a cooperative and selfmanaged "third sector."

#### CHAPTER IV: Social Alliances and Movements for a Platform of Renewal

##### An Alliance for Jobs and Growth

26. A social and political front for progress capable of providing the country with new guidance cannot be limited to a convergence among political parties. It must interpret and stimulate the growth of movements in our society, and compel a renovation of policy and of our political parties; [it must wage] a battle on the cultural and ideological plane.

The demands emanating from our society call for choices as to quantity and quality of growth and clash with our society's compositional characteristics and those of the State. In the course of this process, a struggle is unfolding between the forces of progress and those of conservatism, to achieve social pacts and groupings of diverse and opposing views. It is ever more essential that our approach be from the platform-based viewpoint and not from the schematic and static viewpoint of social line-ups.

Today, national exigencies call for an alliance for jobs and growth, for a modernization of the country, for an overall upgrading of social productivity, and for a raising of cultural standards, as the necessary conditions for a balanced growth of our society and economy in response to our pressing needs. Such an alliance can interest all salaried workers as a body: blue-collar workers, technicians, cadres, cultural, research, and self-employed forces, the specialized workers classes in manufacturing and services, in the cities and rural areas--in their awareness that defense of their legitimate interests coincides with the needs of growth and social equity--and directly interests that sector of our society (large masses of women, and jobless youths first and foremost) that is extensively and forcibly excluded from production and jobs.

On this terrain, a positive relationship and convergence is also necessary and possible with forces of the entrepreneurial bourgeoisie who are interested in fighting against imbalances and backwardness, against the risk of new lacerations of the Italian society, and against the danger of an exclusion and subordination of Italy with respect to the more advanced industrial world; and who are prepared to join in the building of a system of industrial relations based on recognition of the contractual role of unions and on democracy on a larger scale in the business world.

#### Blue-Collar Working Class, Technicians, Intellectuals

27. Working towards a new unity among workers is indispensable. The salaried workers sector directly or indirectly connected with production is continually being differentiated and transformed. Blue-collar work is incessantly changing owing to the processes of industrial restructuring, the new ratio of large to small factories, and the changed financial, technical and capital investment conditions relating to industrialization. Old jobs are declining into disuse and new ones are being created. The sharp distinctions that previously differentiated between functions and positions are becoming blurred. Occupational specifications are changing, while the issues of regulation of innovation and work rationalization are becoming increasingly central.

Today's technological and scientific revolution tends to augment the number and primacy of researchers, technicians and white-collar workers, and to diminish the ratio of the traditional blue-collar working class. This does not eliminate the fundamental role of the blue-collar class, but it does operate to place ever more responsibility on the management and renewal function to express itself as capable of being the driving force behind a new solidarity and unity among all the workers.

Among the technicians and cadres of production, and among intellectual workers--who are now a decisive part of the productive forces, working in research, in the universities, in the schools, in the media, and in the public and private apparatuses--incentives for renewal are emerging from within their very own experience, that can lead not only to immediate [short-term] convergences, but also to common [long-term] views with the blue-collar class.

The strategy of an "alliance between know-how and labor," as Enrico Berlinguer defined it, cannot be merely "an operation aimed at a propagandistic and electoral conquest," but rather "a much more complex social and political operation that must be based on the awareness we ourselves must have, and must impart to these categories, of their national leadership function, in the same way as we have imparted it to the blue-collar class." In a nationally dimensioned concept such as this is to be found the interest in a more advanced democratization, in an augmentation of the technical and scientific content of one's occupation, and in a higher and more informed level of critical awareness of one's own role.

#### Salaried Workers and Specialist Classes

28. The mutual understandings on issues of national scope that we communists have already succeeded variously in furthering between the salaried workers and the middle-management-and-supervisory classes in the manufacturing and services sectors must be extended and strengthened. Indeed, the rise of diffused, independent, and joint-venture entrepreneurial activities represents one of the most significant new aspects of the reorganization of the productive apparatus, with profound changes in old balances and the coming into being of new balances.

Firms of this type, numbering around 4.5 million, represent 97 percent of productive activity, 57 percent of all regular employees, and 34 percent of all billings.

The attachment of the majority of these classes to democratic principles, the mass character taken on by this fabric of business firms, and the objective interest they have in policies of change, proves that no alternative, no renewal of an economic, social or political nature can be furthered in Italy without a convergence and a solidly-based entente among the salaried workers, diffused entrepreneurial, and free-lance workers sectors, involving provision on a larger scale for the synthesis and constructive resolvment of conflictual situations arising from diverse interests.

This must be based on mutual awareness that any form of sterile controversy and lacerating conflictuality between the salaried workers and middle-management-and-supervisory sectors only ends up damaging both parties and represents a favor done to the middle-of-the-road and conservative forces.

This entente and these convergences, arrived at with due respect for mutual autonomies, require dimensioning today in accordance with the peculiarities that characterize the small-sized firm with respect to the issues of employment, of development of Southern Italy, of access to this sector by the job categories cast out by the large firms, and of a new democratic system of labor relations.

The interests of the diffused entrepreneurial activities sector also exhibit peculiarities with respect to the issues of technological innovation,

improvement and modernization of the productive processes and services, occupational and managerial training, providing of "real" services, and growth of economic associationism and industrial production centers. All of this can help further the thrust towards ever more modern and dynamic entrepreneurial activity, stimulate its growth and the adaptation of Southern Italy in this respect, and contribute to the combating of all attempts at corporate shutdowns and to the preventing of its return to a submerged economy and bootleg wages.

#### Youth Movements

29. A large-scale alliance for jobs and growth must have as a determining factor, together with the other groupings and classes that are already protagonists of the economic process, the immense and decisive force of the young generations.

The youth issue reflects all the contradictions of a distorted growth: The risk is an out-and-out foreclosure of the future for young women and young men. This foreclosure is already taking place, first and foremost, in the employment arena, where the use of their working capacities, their knowledge and their culture is extremely limited. A wide gap is developing between the insistent urging to consume and the possibility of satisfying the demands thus created.

These material contradictions are being aggravated by questions of greater vastness stemming from the diffusion of a new and more acute sensitivity to the outlook for peace, to the degradation of nature and of cultural values, and to the quality of relations between individuals and the sexes.

The means and opportunities being created by the new technologies are revealing in their full significance the incongruences present in our society. The diffusion of more extensive elements of knowledge is generating a growing intolerance towards a conception of policy in which words lack clarity and deeds fail to match words.

Already in the 1970's, vast youth movements, including those of different persuasions, were propounding the urgency of addressing the youth question, without, however, eliciting a response from the dominant forces. Now, a new generation has descended into the arena, with its extraordinary mobilization of students for the right to know, with its initiatives in search of jobs, and even before that, with its pacifist movement and its struggles against the Mafia, the Camorra and drugs. In stronger terms than in the past, the issue of full utilization of the resources of our society's youth is being pressed, as is that of the need for original forms of democratic representation of our youth. The autonomy and democratic character of the student movements constitute great values, as do also their refutation of the logic of extremism and violence.

The PCI's mission is, first of all, to respond to the questions being raised by the younger generations, to their need of ideality, of moral cleanliness, of concreteness. Concurrently, the PCI must support, with renewed vitality, the struggle of our youth for school and university reforms, for jobs, for the opening up of the institutions, and against any paternalistic or repressive attempts aimed at silencing the appeals being voiced by the world of our youth.

The aspiration is strong and positive among our youth and within their movements to renew policy, to loosen its constraints on the new topics affecting existence, and to bring policy closer to the realities and contradictions of society. These aims signal an ideological and cultural seeking on a vaster scale that is involving the Left as well, by way of the important and positive experience of the new FGCI [Italian Communist Youth Federation].

#### Women's Movement

30. The women's and feminist movements have blazed the trail of our democracy through very advanced social, civil and legislative gains. Today, a new phase of the women's liberation movement is demanding to be addressed. A diffused and rich experiment is currently in progress in the women's world, aimed at asserting their birthright in society in all fields.

A quest for self-assertion and for change in their way of life persists and is spreading; women's awareness has notably progressed. Still, that cultural and political legacy which marked and influenced society and policy during the 1970's continues fragmented.

The forms of organization and participation on which the movement of the 1970's had built a women's collective political identity, based on recognition of the universal oppression of their sex, are showing signs of wear.

The important gains aimed at superseding the major and more highly visible forms of discrimination, and written into codes and laws, have united women and have expressed a new culture and a new set of values. But today, the cutting back of the material bases of their liberation is accentuating the inequalities among women and is at the same time revealing to women the existence and extent of the differences between their cultural gains and actual opportunity as a way of life.

In such a changed situation, the direct political influence of the liberation movement is tending to wane. The active presence of women is being manifested today in various social and cultural associations and groupings, in the union movement, in cooperative movements, in the peace movement, against the Mafia and the Camorra, for the protection of the environment, in the students movement, and in the political parties themselves.



To achieve its goals, the liberation from sexist oppression, which remains a constitutive base of the women's autonomous movement, needs not only to express new substantive content, but also to proceed along new lines that can change women's concrete way of life and influence the general choices of policy.

To this end, we perceive the need to try out new forms of organization and communication among women. It is not within the province of a political party to prefigure modes and forms of political action within an autonomous movement such as the women's movement. In the party-movement relationship, the meeting is between two autonomies and a diversity of roles. But this mutual respect must spur the party to be the world's best interlocutor of the women and their movements.

Our mission is first and foremost to safeguard and develop the already acquired gains, to fight jobs for women, to oppose on the conceptual and cultural plane the gaining of the upper hand by conservative views seeking to implant again, particularly in the stream of consciousness, the sub-alternation of the role of women.

The specific and urgent task to be undertaken by us communists is to contribute, on the basis of our own detailed platform options, to the imparting of contractual force, political force, and unitary opportunities to the expression of women's liberation ideas.

#### Cultural Associationism, Ecologist Movements, Voluntariness

31. The growth of cultural associationism in various spheres of civil life, to wit, cultural activities, information, sports, consumption, civil rights, and the many opportunities for social solidarity; the growth of ecologist movements; the rising diffusion of various forms of voluntariness, both domestic and international: These all express the urgency of new needs, the demand for new aims in regard to economic growth and social organization, the now mature need to bring into being forms, direct ones as well, of representation, of participation and of operation, that will put to good use--together with the political parties, the unions and the economic organizations--other forms of autonomous organization of the civil society. A progressive alliance cannot be merely an assemblage of diverse economic interests; it must be an entente capable of responding to the most substantive demands of policy-making, and to the demands of the social forces for shared responsibilities in the organization of the State.

The scope and radicalization of an extensive associative fabric, and, within it, of the associationism inspired by the ideals of the workers movement, are an essential richness of Italian democracy. The autonomy of these movements and associations is not in contradiction with the need to seek political solutions, specific to the terrain concerned and to the needs that are a part of each and everyone of us. For ecologist movements



or for cultural associationism, there is a total difference between a policy of growth based on the blind pursuit of maximized profits and one that asserts the essentiality of protection of the environment and the centrality of culture.

#### Catholic Movements in Society

32. In an organized and complex society like like our modern one, the reaching of understandings between persons who express common interests and aspirations, but who belong to different cultural and conceptual traditions and experience, is an ever more compelling need.

It is a very significant fact that, present in all sectors of our social life, there are organizations and movements of Christian, Catholic and other religious inspirations that exist, operate and put forward proposals for solidarity, for justice, for the defense of human beings, starting with the most disadvantaged, for morality, and for progress, is a very significant one.

This presence encompasses a pluralism of positions and aims that reflects diverse tendencies and traditions of Italian Catholicism and of religious society, and that constitutes a priceless element of Italian democracy. Often, these aims and needs can find their full realization only in the attainment of that transformation and reform which is the objective of a process by way of alternative.

Great value attaches, in this sphere, to the concurrence of Catholic and Christian movements, and of the ecclesiastic hierarchies themselves, in the struggle for peace, in the battles for jobs, against the various forms of organized criminality, and against exclusion and drugs. In many of these struggles, the proof is reconfirmed that diversity of cultural tradition does not prevent a common commitment and joint action centered on values that are fundamental to social life, and that, on the contrary, such diversity leads to beneficial exchanges and mutual enrichments of views.

#### The Union Movement

33. A. Unity, Autonomy, Democracy: A strong, united, revitalized union movement, solidly linked to the workers, is a prior condition for all democratic, social and civil progress in our country. Peculiar to Italy is the existence of a union movement that is the expression of a plurality of forces of diverse political and cultural orientations, which are not reducible solely to the Left.

The PCI reiterates its profound conviction that the autonomy of unionism is a permanent value even in a society that has been renewed and that is governed by parties that are the expression of the workers movement. It therefore considers erroneous and rejects the idea that "the unionism of the alternative" needs to be built.

However, an autonomous union movement, democratically linked to the workers and expressing their needs and fundamental interests, cannot close its eyes to the problem of the contribution it can make to a more advanced and open democracy, unhampered by preclusions and constraints, in which the opportunity to exercise a governing role is open to all the political forces identifying with the world of labor.

All the principal gains the Italian workers have made have been realized thanks to the unity of the union movement. That unity, in the first place, constitutes for the workers the most powerful condition possible; and in the second place, it represents a potent factor for democratic and social progress. This is why we communists are committed without reservations to the struggle to provide a solid base to this unity, which has for us a strategic value, and value as a principle.

Essential to this value is the unity of the CGIL, and a renewed capacity for bonding with the workers and representing a common frame of reference for the forces of the Left and of progress. Labor unity is indissolubly bound to its autonomy and democracy. All of these three aspects have gone into crisis during the past few years.

B. Causes of the Difficulties and the Crisis: The difficulties and crisis of the union movement derive, in the first place, from the profound changes in the productive reality. An attack on a strategic scale, waged on the national and international levels, has sought to use the new phase of the technological revolution to put the union movement on the defensive, greatly reducing both its capacity for influencing the economic and social policies of the country and the effectiveness of strike action. Within this context, powerful attempts have been made during the past several years to limit the autonomy of unions. The response to those attacks should have been a renewed relationship with the workers. The fact that, instead, union democracy has suffered impoverishment, and that the problem has not been addressed forcefully enough, has made it harder to arrive at a more intimate knowledge of the productive and social changes, the approach necessary to regulate the processes of the restructuring and conversion, and the ability to represent the more complex social composition of the country.

Although obtaining partial results--of considerable magnitude and significance, at times--from the standpoint of containing the more serious consequences of the conservative offensive against the condition of the workers, the union movement has encountered its greatest difficulty both with respect to: the need to build a movement for jobs and growth, on the basis of a large-scale solidarity pact among the subordinated labor forces, beginning with the youth and women from Southern Italy in search of jobs; and the need to develop a demand strategy capable of reinterpreting and representing the needs and aspirations of the workers in relation to the profound occupational, cultural and social changes.

This dual and fundamental need cannot be satisfied within the framework of the centralizing logic toward which the employers' and government's initiative have tried to drive the unions these last few years. But it must be acknowledged that some unions have, though for other reasons, pursued that same logic, in the conviction, that is, that they could thus obviate objective difficulties which, after all, are present in all the union movements of the industrialized countries.

That logic, however, as experience has shown, risks substituting, in place of commitment to a necessary democratic reorganization of the social representatives--to a reorganization based on the articulation of, and an innovative consensus built around, an innovative design--the seeking of a legitimization of the union movement blessed by the State and by law, and imposed on the world of labor as a summit choice instead of being continually recreated in relation to the workers and to the incessant changes in the labor world.

C. The Platform and the Social Contract: Urging the need to supersede centralizing and neocorporative logic does not mean undervaluing the importance of the relationship among unions, the platform and the institutions. The highly positive fact is that, during these past decades, the union movement's political and contractual influence on economic policy decisions has grown. The according of full standing to the unions as proper subjects of economic policy is a cultural and civil victory, and a guarantee of the strength and consolidation of our democratic structure. Every shortsighted concession of their role made by the unions ends up negating their function as an active subject of the platform. For a mass organization like the unions to be able to perform this role, it of course needs a specific and steadfast viewpoint, namely, that of the interpretation of the problems and needs of a broad spectrum of labor forces on the basis of the profound changes being produced by the crisis.

Full recognition of the plurality, specificity and autonomy of the various social components that today make up the world of labor requires: a large-scale decentralization and an extensive articulation of the quality and structure of the social contract; the kindling of a conception of union initiative not merely in terms of company organization and job categories, but in terms of capacity for intervention in problems of territorial and social organization; and a commitment to starting experimentation with concrete forms of elements of industrial democracy.

D. Union Democracy and Incompatibilities: The renewal effort requires the development and adaptation of the democratic content of union life. Union democracy means accommodating the expressing of the factual reality of the workers in all its aspects, and adhering to the principle of "feedback" from bottom to top and vice versa in arriving at decisions. A fundamental guaranty of democracy, for unions as well, is the majority principle. This in no way means denying the need to take legitimate interests and

individual rights into a unit and to improve the new social forms. On the contrary, this need must impart urgency to the defining of democratic rules agreed to by all, on the basis of which the majority can properly express itself without giving rise to prevarications and dissent; just as it is necessary to guarantee and expand the effective participation of all the social components of the world of labor in the exercise of union democracy. Essential to this need of democracy are instruments of union life firmly anchored to the principle of representativeness, and methods of settling disputes that make use of all the possible instruments of democracy, including that of the referendum, and that are based on the rigorous definition of a set of "by-laws of union democracy," as was proposed long ago by the CGIL.

But the necessary process of strengthening union autonomy is also tightly bound to the possibility of an increasingly free and democratic internal life within every individual organization. Connected with this need is the question of the issuing of cards as evidence of active membership.

The schematic and rigid way in which [the principle of] incompatibility has been applied, particularly insofar as concerns the holding of office in a political party, has not served the purposes for which it was adopted. Experience has shown that the true foundation of union autonomy is rather more a matter of the union's ability to establish an enduring and fruitful relationship with the workers than a question of incompatibility.

#### Democratic Associative Fabric of Diffused, Individual and Joint Venture Entrepreneurial Activity

34. In the recent years just past, there has been a rapid growth in the number of union and economic organizations in the diffused entrepreneurial sector. In the first place, this is an expression of the greater importance these firms have taken on in our overall economic system. Contributing in great part to this growth, in addition to its objective causes, have been the assertive and modern union policies carried out by the respective associations, which have had as their centerpiece the adaptation and development of the firm, while, moreover, shunning all resort to "hand-out" and "hanger-on" business practices.

Another essential element in this growth is represented by the development of the autonomous, democratic and pluralistic character of these organizations, which has made possible the realization of a higher degree of unity among the various entities that are representative of this sphere of activity and that have diverse origins, histories and experiences.

These processes, although still insufficient, are to be considered in a positive light. In this sector, therefore, our approach must be such as to avoid "collateralist" tendencies, so that new, more-advanced goals can be achieved favoring a greater measure of aggregation and of unity.

ententes, in permanent forms as well, and a safeguarding and growth of the autonomy of the small-entrepreneur sector with respect to the other parts of the economic system, the other social forces, the institutions, and the political forces. Such autonomy cannot and must not mean separativeness or corporative closures, but rather a willingness to engage in positive dialectical give-and-take with society as a whole, in order to arrive at syntheses that contribute to the progress and renewal of the country, to the consolidation of our democratic system.

#### A Platform-Based Covenant Among the Forces of Progress

35. The democratic alternative requires an initiative that must be developed on various terrains, that motivates and impels to the fore--while respecting the autonomy and identity of each--the forces of different traditions and different cultural and ideological inspirations, that calls into the arena of confrontation of ideas all the positive energies that presently enrich the pluralistic fabric of Italian democracy; an initiative that recognizes and adds usable value to the issues and urgings being posited by the movements that are developing in our society.

How can this multiform process be furthered and brought to a unitary conclusion? By embarking on a process, an articulated movement of struggle, of seeking and of commitment, based on the facts of the change and transformation [in progress]--an initiative from which a /platform convention [in italics]/ can ensue.

Going beyond castled ideological positions and prior assumptions, and with the participation not only of political parties, but also of associations, movements, and individual leaders, an open convention must be promoted on the major choices for the future of Italian society. For help in preparing for this event, the PCI appeals to all those who perceive the need to impart new, positive movement to the country's political situation.

#### CHAPTER V: Political Conditions for the Democratic Alternative

##### A New Phase of Initiative and Struggle

36. The worsening crisis of the five-party coalition is creating the conditions for and rendering all the more necessary a new phase in the political initiative and struggle for the alternative, based on a reform platform and aimed at bringing together an extensive lineup of laical and Catholic forces. Essential to this initiative is the PCI's capacity for give-and-take with other political forces in repositioning and addressing the unprecedented and fundamental problems of Italian society, and for thus working also for new, platform-based political groupings. This means that the democratic alternative is not to be put together simply by indicating a government-compositional formula, then checking to see whether a Parliamentary majority exists that is capable of sustaining it. Such a reductive



approach would lead to the assuming of passive positions and to the ingoring or undervaluing of the basic issue, to wit: That the alternative calls for that renewal of the ideas of the forces of progress and the Left, that platform-based effort, and that capacity of the social forces for grouping which have been emphasized in the Theses that have been set forth up to this point.

This renewal effort calls for the participation not only of the parties of the socialist workers movement--communist and socialist--and other progressive democratic forces, but also and more generally, that vast spectrum of leaders, of experts, and of different forces and movements that comprise the Italian Left. Of great interest, the past several years, has been the contribution made by the "independent Left" to the seeking of unitary solutions, to the contending with new problems, and to the enrichment of the heritage and platform of the Left.

A process of this kind can modify the ratios of force in favor of the ideas of progress and reform, and shift the PSI [Italian Socialist Party], as well as other laical and Catholic democratic forces, to more advanced positions, thus making possible a Government of the alternative, which is indispensable to the aim of achieving a change of course, of programs, and of ruling class, and to the aim of thus unblocking the road of Italian democracy after 40 years of governments dominated uninterruptedly by the DC.

Fundamental to this view is the PCI's relationship with the PSI and the other forces of the Left. As regards relations among the traditional historic components of the workers movement, new conditions prevail today at the European level: In fact, the old controversies setting social democracy and communism over against each other appear to have been objectively done away with, and the order of the day is the need of a new reformative Left.

The course of the democratic alternative and the quest for unity of the Left do not exclude, but rather, on the contrary, urgently call for more extensive convergences, going beyond the composition of majorities and of governments, on the crucial issues of peace, national independence, defense and the growth of democracy.

#### A Platform-Based Government

37. The PCI intends to contribute to the quest for political solutions and for governments that mark the superseding of the formula and the political rationale of the five-party coalition.

That rationale must be superseded, in the first place, in that our point of departure must be not that of priorly assumed choices of lineup but rather that of an effort aimed at identifying the country's most serious and urgent problems, and at verifying the possibility--even as of now

within the present Legislature--of broad convergences among the democratic political forces on a platform capable of putting those problems on the road to solutions. These convergences can open the way for platform-based governments, without clouding the diverse and alternative views of the DC and the PCI, and without overshadowing the PCI's commitment to the building of a reform front.

This was the general thrust of the PCI's proposal during the most recent ministerial crisis, in which it indicated the most urgent objectives with regard to international issues, the State's economic difficulties and financial crisis, and the need of institutional reforms. This latter point could impart particular characterization to this approach, since a platform-based government should set for itself the aim of furthering--through its own initiatives and appropriate methods of proceeding--the realization of the necessary institutional reforms, and, from a more general standpoint, should guarantee the understanding and cooperation that are indispensable for the building of a more advanced democratic system in which different lineups can be brought in, without trauma, to govern the country.

The platform-based government, therefore, is an integral part of the process that must advance and render mature the idea of the democratic alternative.

#### Policy of the PSI

38. The PCI is not calling into question the seeking by the PSI of a more extensive electoral constituency and of a protagonist role in the life of the country. What we have criticized has been the attempt--which after all has proven illusory--to capture a larger share of the terrain through increased conflictuality within the Left and exclusion of the PCI from the mainstream of the Left.

The PSI has managed to benefit, in recent years, from the more balanced electoral ratio between the DC and the PCI and to gain a determinative role of its own both in the governing of the country and in the local administrative bodies. But instead of using this role to further an evolution of the political situation towards a real change of government, it has preferred to aim for the capturing of positions of preeminence within the ambit of the traditional social and political alliances that govern the country, and for appointments to influential office, based on the rationale of employment by the State.

This policy and the bitter dissension it engendered between the PSI and PCI certainly did not stem solely from a calculation of power, but also from a diversity of views regarding the Italian crisis, and as to the nature and characteristics of the neoliberal offensive in the international sphere.

Over a certain phase, the conviction prevailed within the PSI that a reformist reasoning could be reconciled with a neoliberal type of stabilization; in substance, that, thanks in part to a recovery of the capitalist economies on an international level, a process of modernization and growth could be guaranteed without having to address the structural causes of the Italian crisis.

Today, the outer limits of this policy appear to have been exceeded. Be that as it may, that policy has clearly led neither to the "collapse of the center" with a detrimental impact on the DC, nor to an effective lining up of the Left against the PCI, nor to the forming of the hoped-for laical and socialist alternative that was being looked to as the political protagonist of the modernization of the country.

With the crucial choice of a split of the Left in a large number of the local Councils, the PSI further aggravated the risk of its being itself subordinated within a middle-of-the-road lineup hegemonized by the DC. The change that emerges today from within the PSI is that of a greater awareness of these dangers; of an effort to revitalize an ideological and political autonomy of the socialists with respect to the DC policy of using the five-party coalition as a strategy, as became clear in the recent Government crisis and in the confrontation it brought forth among the parties, particularly with respect to foreign policy choices.

We have considered this change a positive factor. It is clear that, contrary to the other socialist policy choices of the past several years, the return to an authentic reformist view is bringing with it improved relations within the Left in a perspective that looks beyond the five-party coalition.

On this basis, we intend to do our part to bring into being a common conception of the role of the Left and of the Italian political perspective.

#### Role of the Parties of Laical Democracy

39. The five-party coalition approach has imposed a heavy toll on the parties of laical democracy and the social democrats. This is quite evident in the cases of the PLI [Italian Liberal Party] and the PSDI [Italian Social Democratic Party], but it also emerges from the difficulties in which a more vigorous party such as the PRI [Italian Republican Party] finds itself. Within the PRI (whose role in the scuffle over the moral issue has even been characterized at times by abandonment of its ideological prior assumptions), a decidedly more moderate and conservative choice seems to prevail today, both on social and economic and on foreign policy issues.

In effect, these parties are running the risk today of returning to positions of subordination and of seeing their function waning. We consider it necessary to hold an open and frank interchange between the PCI and the

laical forces. For our part, we have never failed to think highly of the role and the roots these forces have in the Italian society. Nor have we ever put forward a claim to a hegemony in their regard.

On the contrary, the actualization of a democratic alternative, facilitating as it would a more open dialectic among the important political formations, would provide those of laical democracy with more ample opportunities to assert a specific role in the development of national life.

#### Policy of the DC

40. For the DC to shift its position toward the Right, or to barricade itself within the narrow confines of protecting its power system, is not in the interest of Italian democracy. Its present line of action, while claiming to draw on Moro's legacy, and while asserting the urgency of a new "statal configuration," has in fact put into effect only timidly, contradictorily and partially, its commitments to internal reform and to revision of the relationship between parties and institutions. In reality, it has imposed the rationale of an expansion of the five-party coalition from the center outward towards the periphery, making this the object of a power pact aimed at the exclusion and isolation of the PCI.

The DC's present policy line thus points toward a washed-out release of centrism, with the additional purpose of wearing down the PSI and resuming a dominant position in the coalition. This is the intent of the DC's thrust to impart a "strategic" significance to the five-party coalition. With the, at one and the same time, modernizing and corporative pressures of groupings that pursue individualistically their own special interests, the transitory success of the operation designed to conjoin the policy of the "preamble," the integralist urgings of a part of the Catholic world is destined to reveal its fragility in full.

The DC is thus revealing that it does not have a valid plan for resolving the problems confronting the country, and that, on the contrary, it remains bound to the self-contradictory plan of continuing to use welfare and corporative praxes, to cover a substantively neoliberalist policy.

The contrast between the conservative choice of the "preamble" and the strategy of a more open and positive dialogue with the Left--a contrast resulting from the DC's present course--is becoming evident today and is growing, particularly in the face of the problems being posed by the crisis of the social State.

There is still no sign, however, that annulment of a real dialectic is taking place within the DC, a dialectic capable of grasping and interpreting the needs being felt within a part of their electorate and, more generally, throughout the Catholic world, and of looking towards an approach that resolves in advance the contradictions of the present.

The political aspects of the governmental crisis have confirmed and underscored in its entirety the narrow-mindedness of the DC's present course with respect to the issues of democracy and the nation.

The desire prevails in the DC to preserve old preclusions toward the PCI, denying, in fact--while recognizing at least in words--the PCI's role as a major national and democratic force. The fear seems dominant that an open democratic exchange, free of prior assumptions and constraints, could lead to a superseding of the DC power system.

Despite the five-party coalition's signs of wear, and the increasingly disquieting signs of breakdown in and danger to our stalled democracy, there is a lack of comprehension of the need--which is an essential one from the DC's own viewpoint--to seek out a more advanced and open terrain on which to join in democratic give-and-take. Only within these terms of reference does the issue of a reform take on direction and concreteness.

The centrality of programs, and a joint commitment to new methods of government, to a more proper relationship between parties and institutions, and to a renewal of Italian democracy: These present themselves as a necessity for the country, and also, for all the democratic forces, as a test bed of their capacity for renewal and their purposefulness.

#### Political Choices of the Catholics

41. For basic reasons relating to the history of our country, and to our orientation as communists with respect to the religious question, the alternative we are proposing does not have, and does not seek to have, a "laicist" character.

The principles of the laicity of the State and of the laicity of policy are the fruit of more than 30 years of work and struggle by the PCI, and constitute a solid basis for the convergence of forces of diverse ideological inspiration in the effort to transform our society.

The actuation of these principles has furthered the attainment of important results in the relationship between civil society and religious society. Pluralism of political choice among Catholics has long since been attained and practiced. It has made possible the carrying out of joint struggles for legislative reforms in the sphere of civil rights and behavior. It has made possible the strengthening of the laical character of the State through revisions of its relations with the Catholic Church and with the other religious faiths present in the country.

Also a result of this, the religious question, of which the Catholic Church is a fundamental part in Italy, has taken on new characteristics.

The religious experience is lived often with marked characteristics of autonomy, and influences the way of being, of thinking and of acting, of



individuals, of social groups, of great multitudes of persons. Such experience can lead, and often does lead, to choices of renewal and change. But even when it does not explicitly involve the political sphere, it can be a source of higher ethical, personal and interpersonal values.

In this sense, albeit presenting connections with the political dimension, the religious experience never loses its vitality and cannot be reduced to this dimension. For this reason as well, the exigency must be reaffirmed that in all States and in all countries, regardless of the political system under which they operate, the utmost freedom of religion and of conscience must be guaranteed for individuals as well as for groups.

On the international plane, the positive processes set in motion in the Catholic world by the 2d Vatican Council have lost none of their vitality in the years since then. They have brought forth, on a world scale, theological discourse, religious experiences even at the episcopal level, from which contributions to struggles for the liberation of peoples, to peace movements, and to initiatives for protection of the human environment have ensued, often jointly with other religious confessions. This has been true in our country as well.

Beyond any doubt, however, there has also been a disturbing rise in Restoration-type tendencies, integralistic pressures which--in Italy--comprise a new type of collateralism that aims to shape the DC politically and ideologically. Not infrequently, and recently, these pressures have found support in positions taken and initiatives backed by, among others, highly-placed sectors in the ecclesiastical hierarchy.

It would be a mistake if these phenomena were to cause a drop of interest in and initiatives towards the Catholic world by us communists. The response to integralism comes from those Catholic positions that assert the autonomy of political choice by the faithful. But it must also come from us communists with the revival of our strategic attention to the Catholic and religious question.

In the vast changes taking place in our time, and in the complexity of the problems confronting our society, lies the confirmation that a process of renewal cannot be the work of a single ideology or of a single tradition. The alternative we communists are proposing, therefore, seeks to urge the concurrence of forces of diverse inspirations and different ideological and cultural orientations.

## CHAPTER VI: Renewal of the Party

### PCI and the Political System

42. To open a new phase in its own policy, the PCI is being called upon, at other times in its history, in the first place, to renew itself. To begin with, this objective must be positioned in relation to the changes in progress in our productive system, in our social stratification, and in our diffuse cultures.

A party crisis and transformation is not something that is peculiar to Italy. In the most advanced and modern countries, structured on the basis of representative democratic political systems, the forming of transnational decision centers, the concentration of essential choices outside the country's democratic institutions, and the complexity and organized force of its most powerful special interests, clash both with the elective assemblies of such countries in their capacities as centers of leadership, and with the political parties as the instruments of public participation. At the same time, the process of changing society also involves the parties from the standpoint of their function of expressing and shaping the collective will: positively, with respect to the furthering of aspirations, cultures and needs that break with old patterns and "ideologisms"; and negatively, with respect to the phenomena of fragmentation and "corporativization" that pervade societies.

In Italy, there is additionally the gridlock--now some 40 or more years old--of its democratic system. This is the source of the particular contradictions of the Italian political system. Its electoral participation remains among the highest, and political interest extends to new fields and gives vent to new expressions, as is occurring among the new generations. But the stagnation and hardening of the power system produces serious degenerative effects, with the intertwining of governing parties and statal and public apparatuses, with the intrusiveness of inappropriate forms of civil society, and with disgraceful forms of moral decadence.

The political, ideological and cultural struggle against these degenerative phenomena, against the reducing of political activity to an exercise of power and passive acceptance of corporative pressures, is a fundamental part of our commitment as Italian communists. The policy of the democratic alternative, as we conceive it, demands, as a prior condition to a more advanced and open democracy, a reform of the parties, which cannot be confined solely to a reexamination of the electoral mechanisms. A more precise legislation is indispensable with respect to the necessary funding of political activity and to the transparency of the economic life of the parties. But even this is not sufficient for a renewed vitality of the parties that our democracy needs. An essential thrust can be imparted by our ability as communists to develop our powers of innovation and stimulus.

The PCI has been a decisive element in the building of our republican democracy, precisely because it has been able to organize participation and democratic mobilization for the purpose of carrying out a dynamic and constructive role of initiative and struggle. The full resumption of this role requires today the reactivation of Society's channels of information pipelines regarding society, its changes and needs, and the establishing of a laical and open relationship with today's movements, cultures and spheres of technical and scientific expertise.

## Mass Relationship and Unifying Spirit

43. Throughout this decade, in the midst of the difficulties being experienced by the parties of the Left in Italy and in Europe, beset by the most savage attacks, and confronted by major social upheavals, the PCI has proven to be a powerful force, deeply rooted in the Italian population. It is owing to the PCI that such a vast portion of our best energies is being devoted to the battle for renewal of the country is owing.

The PCI has been the protagonist of a political initiative and an activist struggle to overcome the debilitating economic and social crisis that is wracking Italy; to defend the gains and results of the workers struggle; to achieve a governing function for the working classes; to further the values of peace, disarmament, national sovereignty, and solidarity among peoples, all on an international scale; and to safeguard and develop our democratic system.

During this past decade, the PCI has materially demonstrated its broad electoral consensus and has maintained an impressive organized force. These results, amid the difficult circumstances that have characterized these years, are the fruits of the PCI's taking the measure of the profound needs of vast masses and of the country, and of the dedication to this effort by thousands upon thousands of militants.

There are, however, still some negative tendencies that must be overcome. First of all, there has been an inversion of the trend toward expansion of the PCI's consensus, which attained its highest peak in 1976; the results of the past several years have shown a decline or a containment of the communist vote, with the exception of the 1984 European elections. Secondly, the organized force of the party has suffered an erosion that began in 1977, and that is disturbing particularly because of the difficulties it betokens with regard to relations with the new generations.

The line of action indicated in the Theses that have been set forth up to this point for submittal to debate by the Congress represents an initial synthesis of the open and extensive self-critical commentary that was developed following the results of 12 May and of the referendum. However, the reflexion of that commentary in this line is not sufficient.

The attention of the party must be drawn to several fundamental questions. The first and foremost of these has to do with the waning of the party's characterization as the party of struggle and of the masses. This negative phenomenon also has distant roots. It cannot be separated from causes that overspan the Italian situation. The crisis of a militancy, defining the latter as adherence to a system of values and of views stems also from the crisis of the countries of Eastern Europe, and from the difficulties caused in the Western world's Left by the political, cultural and ideological offensive of the neoconservative forces. These are the causes that have

induced us to position at the base of our message to the Congress the need to revive and redefine the characteristics and values of our conception of socialism from the standpoint of the quest for an original course for the Western Left.

But there can be no doubt that--in recent years, and within this broad picture--a loss of contact has developed between the party and the changes that have been taking place in society, and between the party and the culture, the skills, and the social factors that have been making their appearance on the scene. This has made more difficult the task of conceiving and actualizing a plan of our own for transforming our society. The result has been that our social and political struggles during these years, while significant, have lacked continuity. The bond between presence in the institutions and our action in the country has weakened.

The experience--an extraordinarily valuable one--of the democratic Councils and those of the Left must be studied in greater depth. The gradual waning of our initial energy burst was the result not only of the offensive waged by the conservative forces and the sapping action waged by the PSI, but also of the growing difficulties encountered by us in advancing effective responses to the new problems and the weakening of our bonds with the masses. Our effort to impart vitality to a general movement for the development of the system of autonomies and for reform of the State revealed a weakness. Struggles and initiatives, even the large-scale ones, remained too separated one from the other, and were frequently confined to the limits of municipalities and individual regions. Thus, the autonomy initiative appeared at times to be splintered and incapable of making any impact on the general attitude of the State and the public administrative function. And thus, in the battle for the transformation of our society, the function of an articulated system of democratic centers of governing authority became blurred.

The attention devoted to the rise of new movements was not adequately accompanied by a consequent renewal of the party and of its way of implementing policy. We provided support and sustenance to these movements and participated in them, although disconnectedly and unequally. But these new movements, in their own styles and sometimes in indirect ways, were expressing a demand for political reform. They expressed this demand either by way of content (atomic disarmament, peace culture, the environment as a central issue of growth, women's liberation, student movements); or through the original ways (often quite fluctuating ones) in which they proceeded to organize; or by distancing themselves from the institutions. Often they emerged distant from the centers of production, demanding new languages and more direct forms of communication between militant and militant. These needs were not sufficiently met by a correspondingly necessary renewal of our organizations as to forms and methods of operating of our central and peripheral executive groups. This renewal is all the more necessary in that the party intends not to delegate these new problems to

the movements, but rather to join these movements, and measure its strength on new terrains on which it aims to extend the range of its own initiatives and pour the bases for a moral and intellectual reform and a new internationalism.

A more precise definition of the party's operating style must ensue from this self-critical study, so that the party can perform its rightful function to the fullest.

Occupying a primary place are our relations with society, beginning with the vast sectors of public opinion that already manifest their confidence in us communists. An analysis of the vote provides a better understanding of the expectations and demands being placed in and on the PCI, first and foremost by the workers and the weakest and most defenseless strata of the people.

The party must be able to take timely cognizance and under consideration everything that is going on or changing in the social reality, in the minds of the people, and in the orientation of the various social strata and the new generations, thus overcoming insufficiencies in our analysis of the social changes, and our narrow-mindedness and closed-mindedness towards dialogue with the many different voices of society and with the other political forces.

The party was deeply scarred by the travail that accompanied and brought to an end the experiment in democratic solidarity, and by the difficulties of the political clash in the years that followed. But it is necessary now to put defensive complexes and paralyzing aftermaths behind us, so as to carry out our policy with renewed self-assurance and suppleness. We must know how to evaluate results, even partial ones, and put them to good use as soon as obtained, and must not perceive in every convergence or understanding with other forces the risk of a loss of distinction or identity. Listening to, understanding, and addressing the reasoning of others is the best way to succeed in countering and combating, knowledgeably and without sectarianisms, the positions we consider erroneous with respect to the interests of the workers and the country. There is no contradiction, but rather mutual support, between a unitary spirit and an undertaking to make political action a fact of the masses, of popular participation and of collective action.

A struggle that is considered indispensable cannot and must not be abandoned simply because it is not immediately unitary. But the struggle must in every way be aimed at shattering the wall that is constantly being built to isolate the working classes and the most disadvantaged masses of the people, and at fighting the approach--which is the essential element of every conservative maneuver--designed to prevent understanding and unity among the democratic and progressive forces and forces of the Left.



Unity of action among the unions has been recovered and dialogue of the Left has been revived because, even in the bitter disputes brought about by the Government's choices, we communists have known how to fight without abandoning our unitary will and spirit. This was borne out also in the battle we waged, until its referendary inclusion, against the cut by decree of the sliding wage scale.

To be strong, understanding and unity must be sustained by the most extensive and solid relationship of the masses, built on the basis of valid and convincing responses to the issues raised in every field.

#### Ability to Govern

44. Our force as Italian communists derives first of all not only from the ideology that inspires us, but also from the constant effort we make to advance solutions to problems that are sometimes essential to the country when addressed from the viewpoint of the working classes. This capacity must be enriched today and given that change of direction, relative to the new processes under way in our society, that is the goal being submitted for approval by the Congress.

A characterizing element of the PCI has been its internal cultural pluralism, its struggle against all forms of dogmatism, and its attainment--initially as a praxis, then actualized in full--of the total laicity of the party. Thus, the PCI has clearly become a platform-based party, inspired by its particular view of the characteristics and values of socialism, and sustained by a constant effort to analyze realities in progress. The blurring elements befogging our capacity to govern, which were also manifested in the proceedings of the democratic Councils and those of the Left, cannot be overcome without a fuller and more diffuse knowledge of the actual state of things and of the possible solutions, without a more constant updating action, and without a struggle on the ideological terrain and a constant bond with the masses.

This means establishing a tighter relationship between policy decisions and scientifically- and technically-based determinations of possible solutions. But this necessitates, also and at the same time, a mass struggle for critical awareness of reality and for achievement of the ideals and values of solidarity and justice. Very strong pressure is being applied to identify possible solutions with those advantageous to the dominant forces and classes. Neoliberalist arguments--although they have been able to obtain leverage from wide cultural gaps in the Left--have proven essentially to be strong ideological postulations rather than valid analyses and effective solutions.

The PCI, as a governing force, must be capable of expressing the needs that arise from society, without seeking to superimpose itself over society or, worse yet, claiming to possess the ultimate truth. But the party cannot

cannot give up being a culturally active subject. This is because, in the first place, a clear choice must always be made among social exigencies that express the most contrasting and contradictory interests; it must be made without yielding to urging to become a collector of the most disparate reasons for rejection. And because, in the second place, no self-acting process of formation of opinions exists in an evolved and democratic society; opinions are formed in an encounter between tendencies, urgings, and convictions, among which it would be stupid for those held by us communists to be lacking time after time.

Battling against sectarian tendencies, avoiding any and all opportunistic decadences, and asserting the PCI's governing role, signifies a constant capacity for theoretical and practical innovation in relation to the values for which we communists enter the arena.

#### Democracy, Unity, Autonomy

45. An element that is decisive for the advancement and renewal of the party is a new, vigorous and original development of its democratic life.

The wide range of the debate and the plurality of the political and cultural positions do not represent a disintegrating factor, but rather an indication of the force and richness of the party, and all the more so, the greater the effort to sustain each position with maximum analytical and documented research rigor.

This is the road along which we must advance. This requires, first of all, a real effort--including the developing of research, information and training at all levels--to guarantee each member the possibility of participating in our democratic debate and in our decisions; and consequently, it requires using the organizations elected by the Congress to best advantage, and fully respecting their functions. To this end, a set of rules and regulations is needed that will guarantee transparent operation of the executive bodies at the various levels, stipulating the forms, terms and conditions governing decisions and voting, and providing for added publicity to be given to the work of the party, over and above that which the Central, Federal and Regional Committees have been disseminating for some time. Of course, this cannot be interpreted as denying each organization the free choice of occasion to debate and to comment, free of the obligations that necessarily derive from public exposure of their positions. A peremptory constraint in this regard exists for no one, and cannot be instituted for the communists alone.

Increased publicity is needed to open to all the jurisdictions of the party, and above all to the rank-and-file organizations--beginning with the section assemblies--the most concrete opportunity to intervene and take a position on the different aspects of the party's policy.

The PCI has never pursued any form whatever of monolithism. To this must be added today that each and every comrade who expresses an opinion contrary to that of the majority--as it develops from time to time on particular issues or general questions--must have the benefit of the conditions necessary to maintain and sustain his or her positions, if he or she considers it appropriate to do so, without prejudice to the need for full operative unity in the carrying out of the decisions arrived at. This also poses new problems that call for the adoption of appropriate, including statutory, rules and regulations.

Provisions must also be enacted--including the defining of relative procedures--governing the forms of voting provided for in the by-laws, structures, and entities peripheral to and enrolled in the party, with respect to political issues and to the choice of candidates for elections at various levels; and a determination must be made of the method of achieving real and true consultations of the referendary type on problems or decisions of special import. An important requirement, for an objective democracy, is the timely reporting of the work being done to actualize, in practice, the choices that have been made.

The extensive development of the party's internal democracy has already led to important choices in the direction of articulation and decentralization of political leadership, in the putting to good use of premises and of specific opportunities for the working out of plans and initiatives. We communists are, as we should be, the protagonists of the struggle for full autonomy of the mass organizations and of the movements in which we participate. Further study and refinement is needed--while respecting the role and functions of the executive bodies of the party--with regard to the primary responsibility of the communist representations in the Parliament and the Regional and Local Councils, for the choices that must be made in each of these institutions. The fullest autonomy is guaranteed to the research centers the party has established and those in which communists are an essential part. The more extensively internal democracy is developed and autonomies are stipulated and articulated, the greater is the need for a unitary, timely and real synthesis, not only with respect to the diversity of policy positions, but also with respect to the complexity and richness of the party's life.

The party's internal democratic life is founded on and guaranteed by unity, which must be sought and built through the most extensive and free interchange of views.

The fundamental objective of unity, which has enabled the ever-increasingly democratic functioning of the PCI, has been pursued in accordance with a conception of democratic centralism that has nothing in common with, and in many aspects is diametrically opposed to, what those mean by this term who follow the course of acritical unanimism and of authoritarian-style decisions.

We Italian communists seek unity in accordance with the rules of free debate, mutual convincement, and the forming, in accordance with democratic principles, of majorities and minorities on different issues and problems. The application of this rule prevents the splitting into groups and organized factions, bound by a centralism of their own and in constant conflict among themselves, that would preclude a real democratic life within the party and paralyze its action.

The principle of unity, the democratic acceptance by the minority of the decisions reached by the majority, the convinced self-discipline, and the loyal acceptance by all the organizations of the decisions made by the bodies elected by the national Congress, are essential instruments for the defense of the Italian communists' domestic and international autonomies.

A unitary praxis of this type has been essential not only for us Italian communists but for Italian democracy. The fact, without mythicization whatever, that the PCI's internal life has been able to remain morally correct is owing also to the effort that has been made to prevent such crystallization of factions from opening the way for those forms of corruption that derive from the pressures of powerful domestic and international forces. All democratic parties find themselves compelled today to acknowledge the havoc created by the vexations of the factionist method.

However, the unitary principle, and the method it entails, not only must not hinder, but on the contrary must stimulate, the most lively and open confluence of ideas and proposals, presented with the rigor and decorum with which each communist is expected to participate in the life of the party, fully respecting the decisions democratically arrived at, and personally assuming his or her rightful responsibilities.

#### Organizational Efficiency and Modernity; Cultural and Ideological Commitment

46. The renewal of the party requires a more up-to-date and modern approach to the problems of structure and organization. The party's organized force and mass appeal are also essential to its political autonomy. In a society in which the information system is in large measure dominated by the economic powers--as well as by the holders of political power--a sectarian party, meaning a party having no autonomous capacity of its own for relating to the masses, is more seriously exposed to the risks of subalternity and exclusion from the political mainstream. Not only the communists' platform and policy lines, but also their organization--structured around a strong ideological and moral commitment--has enabled them to make such a vast contribution to the cause of the workers and democracy.

Membership drives, proselytizing, the collecting of funds for the party and its newspaper, and a vast informational and publicity operation not only must not be considered marginal or antiquated activities, but they have been and continue to be a primary political necessity for a political force of emancipation and social and human liberation. A need such as this must be met by means of practical measures that also permit the party's sections to concentrate their activities on soliciting and canvassing for new memberships.

The difficulties experienced by all organized mass-appeal parties, the drops in their enrollments, and the tendency to conceive of parties as election committees are not evidence of a fatal trend, but rather of a more complex relationship with policy, to which the parties respond with difficulty or do not respond at all.

The fact that, in an advanced society, the channels of political participation and the instruments for the defense of legitimate interests do multiply is a positive factor. This, however, renders more pressing the need of an integrated view of the social process, the functions of the State, and the general interest; it is only through a view of such dimension as this that one acquires the capacity to govern. The communist organization, beginning with its sections, has performed an essential function in this regard.

To fulfill this role, there is need today of a more rounded response to the multiplicity of problems that arise within the sphere of each territorial reality or business activity, and to the variousness of economic and cultural interests.

A hewing to reality and to the popular mind, the articulation of the activities of the sections according to fields of interest, the assignment of precise responsibilities, the elimination of inconclusive and verbose meetings: These have all revitalized many rank-and-file organizations. To the territorial, workplace and research sections, others can be added: to bring in new, high-level professional or free-lance workers, for example. The sections must be urged to exercise their rights not only with respect to the responsibilities they have in their ambit, but also with respect to all the truly essential choices.

A streamlining of the entire structure of the organization must therefore be undertaken, which cannot be identical in profoundly different economic, social and political situations, and which, in any case, must result in a slimming down of the organization with respect to the present reality (Sections, Zones, Federations, Regional Committees, National Leadership). Above all, overlapping functions, indistinct areas of responsibility, and bureaucratic top-heaviness must all be eliminated.

A stable apparatus is indispensable: No political and social force can do without it, if it does not want to give up its action. The communist apparatus is lean, and has amply demonstrated, and is still demonstrating, its dedication, its spirit of sacrifice, and its capabilities.

The moral tests the apparatus must pass are important, but these must be accompanied by an ongoing self-improvement effort for it to become a real instrument for stimulating and putting to good use all the extraordinary resources and intellectual energies there are in the party. The executive bodies must faithfully mirror these riches, insofar as concerns political and cultural sensibilities, the diversity of social positions, and the ratio between civil servants and non civil servants. For the elected



executive bodies to be able to perform their functions, it is important that they also be representative of the complex reality of the party and that the number of their components does not conflict with their ability to carry out rapid discussions and reach timely decisions. In particular, the gap must be reduced--to the point of eliminating it--between the percentage of women enrolled in the party and their presence in the executive bodies at all levels.

The party's entire activity needs a new elan, a modernizing effort, a new ideological tensioning. The same is true of the party's instruments of publicity and information, and in particular, RINASCITA and L'UNITA, the PCI's organ, which, with the commendable effort of the party as a whole, have made significant forward strides toward attainment of financial soundness and modernity.

The party must devote considerable attention to the problems of the new generations and to the work begun by our young communists with their Congress of Naples.

The FGCI is engaged in a difficult and courageous renewal effort. Our young communists are working to provide themselves with an organization having closer ties with the new generations, and are engaged in developing of extensive movements and researching the characteristics of a new socialism, with a more marked autonomy with respect to the party, as regards both the content of their effort and the nature of their organization.

The party is supporting this effort and is committed to its success, but at the same time, the party must make known the need to define a policy of its own towards the new generations and to provide itself with working structures designed for this purpose. The essential effort of the communist organization must be devoted to the work of rejuvenating the party.

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## TEXT OF PROPOSED PROGRAM DOCUMENT FOR PCI CONGRESS

## Details of Program

Milan L'UNITA in Italian 17 Dec 80 annex II pp 1-10

["Proposed Program: The Major Choices in Order To Bring Italy out of the Crisis, on the Road of Peace, Work and Development"]

[Text] In presenting the theses we have indicated along with the basic policy proposals the characteristics of the reforming process that should produce an alternative, the range of possible alliances, and, hence, the main outlines of a program capable of affecting the social order and the governing mechanisms. In this document, we intend to define some particularly indicative programmatic choices. And we are doing this both because it is a matter of essential knots to be tied up before promoting a change and because they represent the test benches of the capacity of ourselves, the unions, and the forces of the left and progress to update traditional orientations and to change ways of being and thinking. These choices are not yet an immediate program for governing, whose characteristics and compatibility cannot be defined in abstract, but do indicate the frame of reference and some of the essential conditions.

They constitute the communists' contribution for the necessary meeting with all the democratic forces.

#### A. Basic Choices of Foreign Policy

Four directions are being followed in Italy's international action.

##### 1. Policy of Balanced and Controlled Disarmament

This is the only framework possible for a policy of effective security for Italy and of Europe, which should be pursued on the political level before the military, and should proceed in an interdependent way among different countries.

The positive outcome of the Geneva meeting between the USSR and the United States opens new areas in the struggle of the peoples of the entire world for peace and disarmament, and for the initiative of Italy and the European countries so that the solemn declarations of good will in the new atmosphere

established after the meeting, will be followed by concrete acts to slow down and reverse the arms race and to bring positive solutions to the dangerous crises existing in various parts of the world. The Italian communists thus affirm their positions with greater force today, after the Geneva meeting.

Disarmament measures must be taken above all in the nuclear field, because there lies the greatest threat to all: what is needed is to achieve a drastic reduction in the arsenals of both sides, and resolutely oppose extension of the arms race to space.

The threat of militarization of space is contrary to the interests of peace and constitutes an obstacle to agreements on nuclear disarmament, and would push the arms race to unprecedented levels.

The joining by European governments of the "star wars" program should be opposed.

We favor total elimination of nuclear weapons. In order to move in this direction the following are necessary beginning now: balanced reduction and control of weapons, a freeze on installation of medium-range rocket weapons in Europe and then their gradual withdrawal--in this context, it is necessary to obtain a commitment against installation of new missiles at Comiso and proceed to a gradual dismantling of those already installed; withdrawal of the so-called tactical weapons; prohibition of all test explosions, including underground; negotiation between the two blocs on renunciation of the use of force, providing measures for mutual trust that are binding and verifiable, and renunciation of "first use" of atomic weapons. It is necessary also to introduce democratic controls on the arms trade.

A central feature of the struggle for peace must be creation of denuclearized zones, to include the countries of NATO and the Warsaw Pact. This objective combines in a special way the measures for gradual and balanced reduction of atomic weapons and first steps toward the overcoming of the blocs.

The action against the bipolar predominance and to overcome the blocs must not remain a vague and abstract wish, but must be translated into concrete objectives to be pursued beginning now.

For this reason, it is important that gradual disarmament and thaw between the blocs should proceed as far as possible together, in a balanced way. The establishment of zones free of nuclear and chemical weapons would be an important signal, both for the movement of nonaligned countries and for the whole Third and Fourth World, of the will to enlarge the network of those communicating and to open new areas for world dialogue. Europe itself cannot regain autonomy, initiative and dignity in relation to the superpowers if it does not work to bring these new topics into play. Also, the prospects for economic and political reform within the East European countries can be nourished and promoted by genuine undertaking of a thaw between the blocs. The movement for peace needs to set for itself intermediate objectives and establish concrete stages along this path.

Progressive nuclear disarmament also makes quite important the balances in the field of conventional weapons, and these should also be pursued through their

reduction and defensive restructuring, by both sides. Our orientation toward overcoming the division of Europe into opposing political-military blocs remains firm. We reaffirm the decisions by our preceding congresses on Italy's continued membership in NATO, for which we support a concept that is strictly defensive and geographically limited to the area specified under the treaty.

This is necessary not only so that the existing balances will not be broken by a unilateral initiative, but also in order to apply also in the Atlantic theater, in concert with the other European political forces, a policy of detente, gradual disarmament, and broader international cooperation. Membership in NATO cannot mean support of any policy or of whatever initiative the United States might intend to impose on the Alliance. The PCI envisages Italy's relations with the United States in terms of mutual respect of the terms of the Alliance.

Italy and the other European countries must have conditions of full equality in NATO. There is urgent need for an overall rethinking of the concept of security, for effective collaboration among the allied countries, and review of the rules of the Atlantic Alliance and NATO. Italy must defend its sovereignty and national dignity, and express its positions independently. The status of the NATO bases in our country should be reviewed in order to avoid the possibility of them being used for purposes contrary to the purposes and geographical limitations of the Alliance. In this context are the PCI proposals for modifications to article 80 of the Constitution to provide tighter control by Parliament over international policy decisions.

## II. A Policy for Establishment of a United, Democratic and Supranational Europe in the Context of the European Community

a. The unification must be carried out, on the institutional level, along the lines of the new draft treaty, approved with our support by the European Parliament. It requires a political battle to affirm the triple requirements of economic efficiency, social justice, and democracy, the essential bases for a European identity. In particular, the following are necessary: a common economic policy capable of combining stimulus measures with development and rebalancing of the various national conditions, as well as antiinflationary measures; reform of the community agricultural policy; growth of "own resources" in the Community's balance; harmonization of the prevention and social security systems; achievement of the "bill of rights of emigrants," of a European Charter of Minorities Rights, and promotion of equality of opportunity of men and women. Needed in addition are: establishment without delays of the single internal market, a joint energy policy, and moving on to the second phase of the European Monetary System (EMS) looking toward a single European currency.

And the southern problem is increasingly related to this new European dimension. To this end, the community political structures will be strengthened and renewed. But that is not enough. In the context of the Common Market a general system must be created to support the production potential of the disadvantaged areas and weak markets.

Our European choice is the opposite of any Eurocentric nostalgia. We want greater unity and autonomy of Europe because it can serve as a promoter of new relations between North and South in the world. We want a Europe that, while remaining allied with the United States, can also be a friend of the USSR, without being subordinated to anyone: a Europe that is thus able to conduct a dialogue with the countries of Eastern European and those of other continents.

We maintain that the Eureka project can serve as the point of departure for a European technology policy, since it is clearly oriented in a civilian research direction and has a genuinely European character. Opposed to any concept of Europe as a "third superpower," we maintain that its autonomy requires a greater assumption of responsibility for its own defense according to criteria, previously stated, of a policy of security and respect for the Helsinki accords by all their signatories.

b. The positive role assigned to UNESCO must be confirmed; the European Community must be called on to further develop the policy, already underway, of more fruitful relations with the Latin American continent in order to promote the processes of democratic restoration and economic-social development.

c. The presence in Europe of almost 17 million foreign immigrants poses problems of a social, cultural and political nature to which the industrial societies are not prepared to give democratic answers. The manifestations of xenophobia and racism observed in not a few European countries are intolerable. The policy decision of Italian communists is for affirmation and protection of the rights of the Italian emigrants abroad, as well as for equality of treatment and full legalization of immigrants from outside the community in Italy. The PCI reaffirms the need for the Second National Conference on Emigration and appeals to the government to convene it.

### III. A Policy that Establishes New Bases for the North-South Relationship on a World Scale

The call for a new international economic order, obstinately opposed by neoliberal circles, is today more urgent than ever because the situation has dramatically worsened. The dreadful problems of hunger, underdevelopment, and world financial disorder block the growth of the Third World countries and have a negative impact on the same development possibility of the advanced countries.

Debt is the most urgent problem today. Very many developing countries are absolutely not in a position to pay not only their debts, but even the interest on them. The International Monetary Fund's so-called "recovery" programs have been counterproductive and endanger the very political stability in those countries that have embarked on a process of democratic development.

Rapid and courageous solutions are needed: a moratorium on payments that has general aspects but is also differentiated according to the needs of the individual countries, up to total cancellation of the debts for the poorest countries; drastic reduction in interest rates; and creation of international development funds that can restore the impetus to the economies of the various countries.



It is necessary to call a world conference to tackle the problem of the debts of developing countries, a drifting mine that threatens the entire international financial system, in order to launch a reform of the international monetary system and to create the bases for effective resumption of economic development on a world scale based on trade equity, and on equality of rights and duties of all countries, and hence on an effective international cooperation.

In particular, it is urgent to achieve a drastic reaction in interest rates, create international development points that could restore impetus to the economies of countries in different development areas, and issuance by the IMF of large amounts of SDR's intended primarily for financing the poorest and most indebted countries.

The European Community must develop its own, more direct, policy initiative in this direction.

#### IV. A Policy that Contributes To Overcoming the Most Serious Regional Crises

Positive resolution of the most acute regional crises existing today in various parts of the world, and which constitute a more general danger of aggravating international tensions and war, goes together with the support that Europe and its democratic forces of left and right must give to the demands for freedom and democracy, for civil and human rights, and to the aspiration for independence and national dignity of the peoples and nations.

Today, the main objectives are:

1. Peaceful solution of the very serious Middle East crisis, with affirmation of the national right of the Palestinian people to have a homeland and to build their own state: the PLO must participate in the search for this political solution, which will guarantee the security of all the states in the region, including Israel; all the Italian democratic forces have a particular duty toward the peoples of the Mediterranean and the Middle East in finding the path to peace and security in the Mediterranean area;
2. An end to the U.S. interference and aggressions, however disguised, against the independence of the Central American countries, and particularly Nicaragua, guaranteeing the launching of a process of peace and democracy in that region;
3. An end to the Soviet military intervention in Afghanistan, which must become a fully sovereign nation;
4. Solution of the Cambodian issue, through a process of national conciliation and withdrawal of the Vietnamese troops, within a framework of peace and guarantee of the independence and nonalignment of all the states of Southeast Asia;
5. The end of apartheid and civil and political equality of all the citizens of South Africa.

## V. Against International Terrorism

The overcoming of these situations of tension and conflict is an essential condition for strengthening new relationships of living together of peoples and respect for international legality, and to defeat any manifestation of terrorism and piracy.

The combat of terrorism and criminality on world level includes adoption of effective measures and a task of coordinating forces. It is a task that rests on the entire international community, and one to which Europe and the individual European governments are called to make their contribution.

### B. Conditions, Objectives and Instruments of a Development Policy

A new type of development, full employment, broadening of the productive base, undertaking a solution to the southern problem, satisfaction of the basic social needs according to criteria of equality, justice, and solidarity: these are the objectives to which the country's economic policy must be oriented. Reducing foreign dependence and restoring the public debt to tolerable limits is the indispensable prerequisite to any development policy. These objectives must not be pursued separately. They require a policy of transformation of the principal productive structures of the country and reform of the social condition. That is, they require a policy of programing.

Programing does not mean denying the operation of the market, stifling the autonomy of the companies, or further expanding public involvement in the economy. Instead, it means making some clear (and realistic) development decisions and coordinating the productive effort of the country.

The first decision today is to reverse the trend to decline--and in some cases to real and outright downgrading--of some basic productive structures. The type of restructuring that has taken place, which has only saved on manpower and costs without expanding the production base, and while the problems of the state and the inadequacy of services are increasing, has worsened the structural ties of the Italian economy and widened the North-South gap. Upgrading and broadening the bases of the national productive plant and accelerating to the maximum the process of removation and modernization of the whole society is an essential condition for easing the foreign commitment, reducing the differential of inflation and indebtedness, and improving the country's international position. To this end, it is not enough to feed a new cycle of investment. It is necessary to mobilize the scientific and cultural resources; to orient and support the independent productive and innovational effort of individual enterprises in industry, agriculture and services; to upgrade the involvement of the state corporations (PS); to upgrade and make profitable the role of decentralized entrepreneurship (cooperatives and smaller enterprises); to orient the technostuctures and the public administration itself in the direction of delivering ever more efficient and productive services; and to reform the labor market in such a way as to promote not only mobility and upgrading of the labor force already employed, but also the access to work of those, like youth and women, widely excluded from it. Programing means giving a new foundation to the training system, in school, in the university; strengthening scientific and technological research jointly with transfer of the results to the productive processes; profiting

from those resources such as the environment, the country, the artistic and cultural assets, and tourism, which can be important tools in broadening the base of the productive system; creating new employment; and improving the quality of life.

Specific plans must be prepared for action in certain key sectors, such as: information technology, the environment and the land, and agriculture. The fields of computers, energy, telecommunications and transport, the antipollution projects and major public works projects constitute additional means for reviving development on new bases, as well as for spreading innovative processes throughout the society. A collaboration among the public, private and cooperative enterprises appears necessary. A reform of state bodies and enterprises is indispensable, one that emphasizes the autonomous management and character of the enterprise.

All the national and structural policies, the investments for the country and for large and modern infrastructures, and the decisions to raise the quality of services and training and research centers must have clear priorities and goals relating to the south.

An essential condition for a development policy is to reform the credit system and make it more efficient. It is a matter of better protecting saving, guiding it to investment and risk capital; bringing banks and enterprises together, and reducing the costs of middlemen and the cost of money. Given a great expansion in the money and financial market it is urgent to make up for the delays, including legislative, with regard to the special credit institutions, savings banks and business banks.

#### Public Intervention in Economy: the State Corporations

The state corporations should have a vanguard and promoting role in the process of reconversion, innovation and internationalization of our economy. With the phase of financial recovery completed, at least in part, the state corporations are called on today for a more direct involvement in the development fields, by opposing, first of all, the tendency toward deindustrialization of the major basic categories, getting involved in the sectors with highest risk and deferred profit, and guaranteeing the presence of Italian industry in vital sectors and for the independence of the country itself (energy, telecommunications, defense, etc), while guaranteeing supply of concrete services to the companies where they do not develop independently. Only an ambitious industrial policy that includes a positive reconversion and upgrading of the current production system can create the latitude for qualifying the south to become the seat of a modern industry, technologically strong and independent. The strategic objective, in this connection, is to open up a new phase of industrial policy aimed not only at upgrading the existing base, but completing and elaborating the south's production base. This southern objective can be achieved by asserting a strong presence in the new sectors, by broadening intermediate production--machinery and semiprocessed goods, and by maximum interaction between industry, environment and service activity.

Concentrating investments and technical-scientific and managerial resources in the most innovative sectors, in services, and in the strategic sectors also

involves a reorganization of the public presence itself in industry. The leaving of some sectors, and entrance into others, is inevitable, however, and will be judged in accordance with what are, from one time to another, the preeminent national interests.

The influx of private capital can be useful for the good functioning and development of the enterprises with state participation, as well as for carrying out ambitious investment plans. However, that has nothing to do with a policy of indiscriminate privatization and demobilization of the public presence in manufacturing activities.

Internationalization is also a necessity and prerequisite for development. In many sectors it is the only dimension in which it is possible to develop the enterprises. However, at the same time, it is necessary to prevent internationalization from resulting in a loss of national control over the basic centers of the production system. To this end, it is vital to define those sectors in which it is considered essential to protect the national character of the enterprises and those in which it is intended to strengthen (or create new) a presence of national enterprises (biotechnology, agro-alimentary, applied chemistry, pharmaceuticals, biomedical, data communications, and industrial automation). In these sectors, the internationalization is absolutely decisive: however, it will be managed by the state, either operating the public corporations directly, maintaining the development of these sectors through adequate plans, or, finally, acting at the EEC level so that Europe will develop a cooperation activity in these fields.

At the time when the revival of the system of state corporations is being proposed, autonomy must be thoroughly protected. The revision of the statutes should proceed specifically in the direction of breaking the harmful tie that today exists between the public enterprises and the political power. Differentiation of roles, autonomy of the enterprises and bodies, and responsibility of management in the framework of clear choices of direction and development provided by the Parliament and government: these are the main features of reform of the state corporations.

#### Economic Democracy

The major processes of restructuring and reconversion of the main sectors of production and services, and the redistribution of the material and human resources that they produce, often without any conscious planning or coordination on the European scale, are accompanied today by a corresponding waste of existing resources and intolerable social costs. They must thus be brought back into a programming of the structural transformations that includes participation of the workers trade union organizations, and into a control of their social implications (labor mobility, new forms of work organization, upgrading of workers) based on consensus and broadening of collective bargaining in the enterprises and regions.

This thus makes it necessary to approve legislation for promotion of rights to information and control of the workers organized in their trade unions in the enterprise strategies, and collective bargaining on their social implications.

The proposals made by the CGIL on the "Company Plan" and the "Protocols" themselves drawn up by IRI and ENI with the trade union organizations constitute important reference points in this connection.

On the other hand, the new phase of technological innovation and, in a special way, the computer revolution and spread of microprocessors make possible and necessary a direct participation of the workers as a whole in the planning and experimentation with new forms of organization of work, based on flexibility of services, consolidation of functions, promoting interoccupational and multipurpose work collectives, and decentralization of the scope for independent decision by the technicians, supervisors, and workers. The overcoming of Tayloristic forms of parcelling out work becomes in the present era the essential objective of an economic democracy policy that restores participation by worker representatives in the factories' strategy decisions, with direct experimentation by the bulk of workers with new forms of work organization and socialization of information. Only by this path is it possible to succeed (with the help of legislation that promotes and stimulates research and experimentation in humanizing work, and with programming of mass occupational upgrading) in overcoming the gap between the "democracy of experts" and the condition of subordination and lack of information of the great majority of wage workers that has been the major obstacle to all forms of industrial democracy thus far tried.

A policy of economic democracy includes extension of and support for a cooperative and self-managed "third sector" so as to promote the spreading of the related labor into all fields in which the very technological innovations enable development of production and service units of dimensions compatible with self-management experimentation. New legislation on the cooperative firm and adoption of new forms of financial support incentives, technical assistance, and managerial training to the benefit of self-managed enterprises are thus essential instruments for achieving a quality rise in promoting work related primarily to the collective interest services sector.

#### Incomes Policy and State Budget

Democratic programming of the economy involves undertaking an incomes policy aimed at guaranteeing conditions for development, inflation control, and achievement of a redistribution of wealth in favor of the medium to lower incomes. The substance of this direction is thus opposite to that of a so-called incomes policy that has tried during the past few years to hit at the wage and to promote a redistribution of wealth toward the privileged classes.

To this end--once all the indicator mechanisms have been brought under control, making their calculation base consistent--it is necessary to define clearly the basic parameters by which the various incomes are to vary, and then use the tax and parafiscal lever and the other instruments for controlling the economy to discourage inflationary activities and penalize deviations from established rules. As for wages, increased productivity must be regarded as a decisive parameter of reference in their change.

For public service rates, resort to a new method of setting and management is needed. The rates must be calculated by the enterprises on an economic basis, in such a way as to cover the costs, which, especially where there is a strong



monopoly condition, must reflect the costs really necessary for the services, and be subjected to adequate control to this end: this involves commitment to a balanced budget, including depreciation. The state, and more generally the public hand, will pay to the enterprise managements subsidies established with precision, and by the method of imputation of costs, for achievement of social objectives and service obligations. For some services, in which the costs-earnings ratio has worsened in untenable way, it is necessary to carry out a rebalancing of this ratio through overall actions--which in the case of urban transport also concern the land--directed at productive reorganization, increase in productivity, and financial recovery.

The most important problem to be faced is to progressively reduce the state requirement so as to limit recourse to debt and thus enable a transfer of resources to productive investments and social expenditures. In order to move in this direction, a reduction in the cost of money is needed. A rigorous budget policy must effectively freeze those expenditures whose coverage is not assured, undertake an effective rationalization and qualification of expenditures, establish a clear separation between social security and assistance, and introduce and make effective the principle of responsibility of all the cost centers.

Breaking the vicious circle of public financing is decisive for restoration on a broader base of the accumulation process and a relaunching of development.

#### Fiscal Policy

Fiscal reform is one of the fundamental conditions for rectifying public financing and for achievement of an incomes policy inspired by criteria of equity. It thus constitutes a major operation of social justice and economic policy, since--given also the large proportion of tax evasion and erosion--only in this way is it possible to restore productive jobs and reallocate resources. It is essential that the fiscal reform proceed hand in hand with reform of the financial administration, which must be put in condition to verify with precision and speed the real amount and trend of incomes and estates. This requires a radical updating and strengthening of the structures, personnel and equipment at the disposal of the tax officials. Updating of the land registry is an urgent matter.

The main objective of the reform is the real progressivity of the tax levy, reform that cannot be limited to the personal income tax, and must be achieved through a coherent revision of the entire system of duties and taxes.

In regard to the personal income tax (IRPEF), it is not only a matter of restoring to employees what was taken from them by fiscal draining, but to broaden the taxable base by progressive elimination of erosion and evasion, thus making possible a reduction in rates.

The current situation in which the basic productive factor--labor--is overtaxed in relation to other earnings sources must be substantially modified. In order to restore balance to this situation, what is needed is on the one hand a reduction in social contributions and on the other an increase in levy obtained by indirect taxes on consumption and business.

In this context, two issues must be resolved: the taxation of state bonds to be issued in future (beginning with those for bank and enterprise property) in the context of a rational taxation of all earnings from capital; and introduction of an ordinary estate tax at very low rate, accompanied also by revision or elimination of other taxes (registry, etc).

A thus described fiscal reform can guarantee not only real social justice, according to the principles established in article 53 of the Constitution, but also greater efficiency of the economic system: work can be taxed less, while the reduction in tax benefits granted to other categories or earnings sectors (erosion of the tax base) can motivate capital to seek more productive uses and promote an efficient resources allocation in the entire economic system.

In the context of discipline in regional and local finances based on the principle of financial autonomy, the communists favor giving regions and communes an autonomous taxing capability.

#### Reform of the Social State

A strong attack on the social state is underway. The direction being taken is that of dismantling the most innovative features, drastically reducing social expenditure, privatization of a large part of the services, and limiting the right to public services to the needy and indigent. This policy, which seeks to equate the social state with assistance to the poor, must be rejected.

Communists reaffirm the values of social security, solidarity, and equality of citizens in respect to the social rights provided by the Constitution.

Updating of the social state must not be limited to a social policy and a new redistribution of incomes, but, by creating a new demand for qualified services and new collective consumption that does not burden the foreign accounts, can also represent a stimulus for a new economic policy that promotes development and opens up new employment areas. This is fundamental if one wants to modernize a country; and it is possible by relating social expenditure to the rate of development, and by shifting and updating the current resources devoted mainly to individual consumption. The expansion of the social services--beginning with the south, where the shortages are great--is a great opportunity for skilled employment of youth and women.

The social state assumes development of services as a common good, capable of promoting extended forms of solidarity for all citizens, going beyond the interests of categories, and on the basis of broad programs that continue from one generation to another. It is on this basis that a new public-private relationship can be sought, and above all with mutual assistance, with the goal of responding to the needs for supplementary services and more specific personal needs of the citizens.

The communists do not propose a social state that gives everything to everybody, nor a social state that is totally public. Today there is not a public monopoly of social and health services. The private activity is substantial. Nevertheless, the primary interest of the state and the local authorities in authorizing, programing and chacking on services must be

preserved, under the limitation of human contact. Furthermore, the public role must proceed in a constantly widening.

A decisive aspect of reform of the social state is reorganization of the public services. Many of services must be extended, the personnel or personnel, and inefficiency that characterizes many public services must be overcome, with productivity that be improved, more democratic management must be promoted, and the autonomy and operating responsibility of the directorial bodies must be increased; administrative control of the instruments and adequate forms of self-management, and benefiting from voluntary social service.

In this context, reform of the system of social institutions that should be decentralized the social services, with full administrative and financial responsibility and reform of the central and peripheral public administrations, which is a prerequisite for effectiveness of the services, are very important. Reform of the social state requires carrying out reform of social security and assistance, and current operation and improvement of the national health service.

The reorganization of social security should respond to the call for social justice, which is crucial particularly among the retired, and provide assurance to employees and independents in regard to their future pension rights. Thus, it must overcome the pension crisis, undertake a reorganization process throughout the management, and clearly distinguish, in the accounting area also, assistance from social security: the former, intense for citizens in conditions of real need, should come under the state budget; while the latter should depend on the social security contribution and working life of each individual. While still preserving a strong link with the principles of solidarity among workers and between workers and retirees.

The reform of assistance must restore the role of the communes and put the services problem at the center of a new social policy that responds to the problems of women, unemployed, old people, and dropouts; that provides defenses against financial crises, indifference and lack of responsiveness.

A change in attitudes and procedures must be sought to promote integration with services and to make the measures more effective in dealing with the poorest citizens.

In this sector, the issue of programming, control, and distribution of the resources must be solved; on the other hand, the actual management of the social resources can be in a variety of forms: public, private, or social nature, associative, voluntary, and cooperation of services. In accordance with the principle that be adopted long ago, the principle of not everything being free to everyone, we reaffirm that health assistance and compulsory services must be financed through the tax system. The right to education is a basic right and must be assured to all citizens, through the compulsory school and an adequate and equal policy of the right to study throughout the education. The social service to children and young must get support from government by the means to relations to families, and, taking into account the particular and family income, responsibilities and guaranteeing access to all.

## Energy

The energy policy must face the problems of a difficult period of transition toward production and forms of social life with lower energy consumption and toward technologies that will be capable of resorting to renewable sources and thus to reduce the environmental impact.

In order to prepare and accelerate this transition, which faces all industrialized countries throughout the world, it is necessary that there be appropriate political and economic decisions, massive investment in scientific and technological research, and recourse, beginning now, to technology and installations that are as flexible as possible.

However, this has not been the course of the governments and bodies in charge of energy policy in Italy, and the mistakes made are having a serious impact on our country's present situation. Nor can one see a significant reversal of tendencies in the recent updating of the National Energy Plan (PEN), even though the government has had to accept important improvement proposals by the PCI, which represent a success and positive result.

The objective of greater energy independence and easing of the foreign commitment involves: either using energy in a more rational way (energy saving), exploiting to the maximum the national sources (for example, geothermal), or, finally, reducing consumption of oil in favor of other sources.

Diversification of energy sources has to take into account the different effect that each can have on the environment and on the land actually involved.

The policy of diversification enables raising significantly the technological content of our energy structure, which today is among the most backward and expensive in Europe.

These objectives of greater energy independence, improvement of the environmental impact, raising the technological content and reduction of production costs of electricity, are all closely related to the quality of our economic and productive structure and to the country's international independence itself. Thus, they must be pursued independently of whatever may be the future trend of energy consumption.

Giving the country a technologically more advanced and diversified energy structure, and one that is more efficient and productive, and hence also more reliable and less costly, is a binding necessity for launching a new development. In today's concrete situation this means: aiming with great determination at energy saving (and appropriate use of the various sources), maximum possible use of renewable sources, use of methane for domestic and production uses, rapid completion of the methane system for the south, and recourse--limited and controlled--to nuclear energy and coal to feed the main power plants, which the country at any rate could not do without.

Care of the environment, security of installations, and balanced development of the country must be adopted as the parameters by which to establish the timing and methods of the various installations and individual actions. This

requires reform of the energy bodies, and the involvement--in the most appropriate ways--of local and regional bodies in managing the PEN and in producing within a short period legislative measures for a more modern control of security and the environmental impact of the energy investments (and also the production investments in general).

#### Land and Transport

Balanced and rational use of the land, that precious and essential resource, is a crucial feature of the prospect that the communists are presenting to the country. This commitment does not require a freeze on development, but rather a different model for it: in whose context will be guaranteed the right of everyone to decent housing, a balanced community supplied with services, and land that is not polluted and congested.

The commitment to the land not only produces a higher quality of life, but involves investments and activities that can be a major factor for many years in drawing with it the economy and employment of workers and technical and intellectual staff; it requires mobilization of the public administrations, the local authorities, and the state corporations.

Toward these objectives it is essential that there be land programing in the framework of economy planning; that the right and authority of the community to govern the land and its transformations in the collective interest be realized.

There are many details and objectives in a policy committed to such a prospect. Its assumptions are: a land juridical system that separates the right of ownership from the right to build, and establishes a system of planning and overall procedures that is clear-cut, expeditious, and nonbureaucratic; the overcoming, on the basis of criteria of social equity, of the serious and devastating phenomenon of squatting, combined with large-scale recovery of the areas marked by disorderly housing growth, legal and illegal.

A fundamental aspect of a new policy of development and governing of the land is progress from a chaotic transportation system, marked by indiscriminate domination by the private automobile, to a system of integrated and intermodal transport, marked by restoration of the railroad facility and the maritime economy, and by strong development of urban public transport; a turn to a territorial rebalancing and decentralization, beginning with the north-south relationship, for protecting the environment, reducing costs, and better quality of service. All major infrastructure projects must undergo an environmental impact study in advance.

However, governing the land is impossible without a comprehensive action controlling urban transformations and guaranteeing the right to housing within a context of civil progress. The cities, but above all the major metropolitan areas and the vast conurbations, must be managed as comprehensive systems in which housing, production, transport and communications interact; the right to housing, while guaranteeing individual ownership and adequate rental property, can be achieved only by programing that reduces real costs of production, direct and indirect, and that responds to the medium and lower income classes through expansion of a revised public housing and subsidized and cooperative



missing. In this case, the economists are working for a long multi-year planning plan aimed mainly at restoration of old property and production systems; for the transitional period, moved forward in time because of the clear failure of the five-party government in this field, they are waiting for reform of the law that achieves an earlier mediation point between the rights of the tenant and the legitimate interests of the small owner.

#### Environmental Issue

The environmental issue in our country cannot be separated from the particular features of the land, its landscapes, and the interweaving that has developed over thousands of years between work and environment, nature and cultivation. It is unthinkable to envision lasting, balanced and rational development not based on knowledge, respect and adherence to the manifest or latent vocations of our land. The distorted use thus far made of it has not only produced conditions of sometimes irreversible deterioration of the water, air, vegetation and fauna systems, but represents a basic factor in the current economic crisis, impacting on the very processes of accumulation, productivity, and development.

In particular, we must reflect on the decisions of the postwar period harming renewable natural resources by heavily establishing installations of various types on the terrain. It is thus necessary to lay out an alternative scenario that puts the environment at the center of a process of transformation of our country, and that promotes scientific research and technological innovation in knowledge and benefit of natural resources.

Some of the objectives that can be pursued, even in the short term, are the following:

--Updating, in respect to the environment, of the laws on technological innovation (46) and production reconversion (6/7), conservation licenses of raw materials and energy, reduction in pollution output, and internalization of environmental costs within production costs.

--Considering the environment as a social employment area, considering that it affects indirect costs (landslides, floods, rainfall) and needs to preserve the natural wealth that is the primary condition for sustainable yield. Very often the environmental cost is paid in the medium term, resulting, also, in high intensity of work.

--An employment plan for environmental restoration could be based on a series of small-projects, for example: action in 1980 on the Po River and the Adriatic; action in the history and surrounding environment establishment of a parks system; action for air and water, quarries and dumps; small-scale projects and plans for environmental recovery and revitalization. In this end it would be sufficient to mobilize the present state expenditure for the environment, starting with 3 to 4 billion between 80 and 85) and work positions.

--Action on the Adriatic can be part of a more general effort to create an concept of the Mediterranean system as a water environment, political and institutional unity. The community will be the 12% (24/44) and the 12%

EEC to end their position of inertia within the international organization to combat pollution in the Mediterranean.

--Finally, it is necessary to expeditiously pass a law on environmental improvement and impact that will produce integration with the instruments of programming and planning and will operate in a preventive and binding manner in regard to installations and projects of industrial, energy and civil nature.

## Agriculture

The issue of agriculture is linked to all the major basic matters facing the country--full employment, environment, reduction of the foreign commitment, and European unity. The defense of and development of usable agricultural area become the essential elements of any economic policy: above all for Italy, where the agro-alimentary deficit is a heavy burden on the trade balance and the general opportunities for domestic growth. The food question is assuming an ever more strategic role, also in relation to the aggressiveness of the big multinational corporations and financial capital.

These two major objectives--reduction of the agro-alimentary deficit and restoration of a strategic role to agriculture--can be carried out in an adequate way only on condition that new development, quantitative but especially qualitative, is made possible in agriculture in the south and in the interior areas.

There is no contradiction between a technological option at the national and European level and an option of revival of the agricultural sector. A competitive agriculture, quality agriculture, capable of tackling the international market with its products and offering Italian consumers more healthy food, requires a big jump in technology. The PCI, while it reaffirms the value, also for employment reasons, of the family farming enterprise, puts at the center of its proposals establishment of a network of services--supported by solid, finished scientific research--that would assure even the small enterprise availability of the more advanced technologies, along with the needed credit and an adequate trade organization.

This is the prerequisite, along with development and modernization of old forms and new forms of associations and cooperative enterprises, to make the agricultural enterprise a strong and independent protagonist in the context of the agro-alimentary system and to take advantage of the new tendency by young people to commit themselves to agriculture, reversing the current aging process.

The horizon of Italian agriculture can only be European, but this vision requires that outdated community mechanisms be reviewed, that agro-biological research be given a European foundation, and that we progress gradually from a policy of price assistance to a policy of structural renovation. This reform of the community agricultural policy must affect, above all, the Mediterranean production items, and must eliminate commitments and state-control restrictions that impede the takeoff of a modern agro-alimentary system. For the south above all, government care seems essential to make the necessary transition in action from assistance type to structural actions.

## Employment

To handle the problem of unemployment, what is necessary above all is an economic policy based on a new, close relationship between development of the production forces, transformation of the social and cultural environment, and the active labor policies. Employment must become the commitment-objective of this policy.

Today, there is no longer an automatic relationship between development and employment, and, in particular, between production growth and employment growth. Thus, an employment policy cannot be entrusted to the spontaneous mechanisms of the market, but requires a strong role of promoting, planning, and coordination of the public authorities.

In particular, a new employment policy must guarantee certain basic conditions: 1) coordination of the employment policies at the European level, through preparation of joint programs between the other governments and our own, both for upgrading the supply and maintaining the demand, which would be an appropriate use of the ecu; 2) promotion of innovation not only in the production processes but also, and above all, in products and services; 3) general reform--and reduction--of working time, to be achieved also through new legislation in support of bargaining and incentive to gradual reduction of work schedule and to flexibility in the work period; 4) reform of the labor market and a new policy of vocational training, centering on launching of the National Labor Service; and 5) wage reform and development of the instruments of industrial democracy.

Job creation has now become an imperative that no country can shirk if it does not want unemployment, especially of youth, women, and the south, to assume frightening dimensions. This is particularly true for Italy, where the lag in production reconversion (that is, in the broadening and diversification of the production plant bases) is causing the phenomenon of an increase in imports (not only of energy and raw materials, but also and primarily of intermediate products, including those with high innovation and labor content, as well as nonconsumable and investment goods) in higher proportion than the increase in production and exports.

It is thus urgent, in the immediate future, to develop a policy aimed at rapid increase in employment levels, based on three basic directions.

The first is preparation and implementation of major investment plans linked to a program of modernization of Italy and restoration of the land.

The second is maximum stimulation of "diffuse entrepreneurship." The establishment of thousands of new enterprises, private and cooperative, in industry as well as in agriculture and services, and spreading of independent labor can contribute to creating new job positions. The task of the programming bodies is to create the most favorable conditions for development of these activities and enterprises, organize the public demand, stimulate the investments, and prepare in advance specific development plans in the various areas involved. These tasks could be taken on by the "job creation" agencies, with participation, in addition to the state corporations and cooperative and private enterprises, of the regional holding companies. In this context, for

the purpose of contributing to development of self-managed production activities, in the south in particular, it is necessary to promote establishment of "solidarity funds," or "investment funds," financed by voluntary contribution of the workers and also by involvement of the enterprises with part of the unreinvested profits.

The third direction is that of promoting, with adequate policies of improvement and support, the development of activities for environmental protection, energy conservation, care and development of the artistic and cultural heritage, new services to production, public utility services undertaken and managed in cooperative forms, and development and upgrading, particularly in the south, of a network of personal social services.

In general, the state should devote at least 1.1 percent of the GDP to development of the specific and special policies of employment.

### Labor's Claims and Active Policy Strategies

Giving first priority to employment and calling for an economic policy in accordance with this objective means, also in the view of the workers movement, working coherently for this priority. However, the proposition that there will have to be resort to further limiting of wages is unfounded. It is a matter of undertaking a new type of development and establishing conditions for a stronger increase in general productivity. It becomes essential to use the wage lever to reward productivity and professionalism, develop the quality of domestic demand and direct it in a noninflationary direction, promote higher use of plants, and push for stimulation and control of innovations. This does not at all mean transferring onto wages all the increases in productivity, nor proposing impatient wage measures that, particularly under current conditions of high unemployment and inflation, would end up damaging those categories of workers with less bargaining power. Instead it means stressing the urgency of reform of the wage and bargaining structure to defend the real value of the wages, including indexing of part of them to restore to the union that effective ability to negotiate over vocational upgrading and production commitment of the workers, at the same time gaining instruments for real control over the processes of accumulation and use of the profits. The problems of staff and technicians, which are becoming ever more important in modern society, will not be resolved by fruitlessly trying to restore an old social pyramid, but by linking in a dynamic way vocational recognition to vocational knowledge, actual capability, and substance, and defining a new role for them in new production structures.

In face of the major transformations underway in the factory, in the production structures, and in social organization, entrusting the processes of vocational job entering, mobility and upgrading to the happenstance of the market means drastically increasing unemployment. The reality is that we will never be able to do without a specific and active public involvement in the labor market. The management of mobility toward the companies and sectors of greater efficiency, as well as the upgrading of the labor force, are well beyond the companies' capability of action and management.

To this end, the PCI proposes establishment of a National Labor Institute, an indispensable tool for the policy of innovation and to guide the transition.

It must proceed within the framework to reform the now outdated rules governing employment and the structures of the Ministry of Labor. An outline regulation at the national level should be prepared with the purpose of establishing conditions of equal opportunity for all in access to work and training. This applies in particular to responding to the demand for work by women and to remove the handicap of the female labor force, by approving the measures proposed by the EEC, through bargaining action, a national legislative proposal, or by establishing specific tools such as equality centers.

A decisive struggle is necessary against any practice, obvious or concealed, of favoritism in hiring in the public administration area, the parastatals, and the credit system, as well as erosion of broad areas of nonpermanent jobs, pending authorization settlement.

The public involvement, combined with the necessary guarantees of impartiality, must be the unbroken rule in recruiting in public offices.

The regions must play a determining role in active labor policy and in strengthening its innovative and training features. To this end, the labor service must provide adequate facilities to the regions, the local bodies and the production forces. In this framework, education and training assume a more immediate productive and social value. Instead, they have been reduced and degraded into an assistance and favoritist type of role by government policies of the last few years. Of primary importance in this connection is reform of the higher secondary school. However, for a turnaround in the field of occupational training it is necessary that the government define and launch a national program for vocational training that will provide qualified management for activities at the regional level as well as for rational use of the European Social Fund.

The PCI proposes immediate creation of labor observers and regional labor agencies throughout the country. The regional agencies--under direction of the regional commissions--must be instruments for getting work started and promoting final formative plans; initiatives for development of cooperation; actions by the civil service for employment, even temporary, of workers who are unemployed or mobile, and youth looking for the first job; and intensive search for a job for "long-time" unemployed.

It is necessary to overcome a bureaucratic-administrative concept of public intervention in the labor market, and to promote reform of the existing institutions that, by strengthening the bargaining role of the trade union and the functions of the regions, will make it possible to promote real processes of labor initiation and mobility, and will contribute at the same time to directly and indirectly creating new work opportunities. Reform of the unemployment benefits fund is necessary and possible in this context.

#### C. Reform and Reorganization of the Structures for Research, Training and Culture

The reform and reorganization of the major structures of research, science, training, and in particular the university and the training system, are essential elements in the growth of a more modern and more just society.



Innovations in the system and the fundamental and organizational changes in Italy depend primarily on the political and programmatic decisions in these fields.

Defense and affirmation of the culture, independence of the intellectual function from any influence, care and development of cultural assets, and preservation of the Italian and European contribution to the world's culture are basic elements of the program of the Italian Communists. Extension and improvement of public education has priority status. The current tendency to ignore the university, research and the school must be reversed. There must be a great concentration of resources in these strategic and indispensable sectors.

The organization of research in Italy is the weakest and most lacking among the advanced capitalist countries: small in the private sector, poor in the public enterprises and the state administration; in the corporations, disorganized; and full of waste in the public sector. This, to a major degree, is responsible for the relative weakness of the economic structures and the public administration, the backwardness of the production reconversion and restructuring, and the obscurity and lack of authority from which we suffer in the international labor department. This picture must be drastically changed with a policy of programming.

Indeed, a great effort must be devoted to research, not only in providing the financing and the level of effort committed by the most advanced industrialized countries, but also to solve the problems of an institutional nature (ministry, CNR, ENEA, INFN, other bodies, consulting bodies representing the scientific community, etc.) and organizational nature in the national research system that, unsolved for years, today seriously compromise the country's development possibilities.

Decisive in this respect is strengthening the scientific structures so as to guarantee cooperation among the various sectors and implementation of major approved projects, upgrading of Italy's participation in community and international peaceful research programs (Eureka, space, fusion, etc), greater involvement of the production system accompanied by effective social control of the use of public financing for research aimed at the companies and of checking on the results obtained.

One very important problem that must be faced and rapidly solved is establishing a new situation (comparable to that of the other European countries) for research personnel that will prevent the hemorrhaging of skilled resources and value the national research work and scientific intelligence.

The university is undergoing a complex phase of internal reassessment, search for a new position in a society in transformation, and definition of new tasks and goals.

Its role as the highest cultural and scientific institution remains fundamental, and the Italian Communist Party commits itself to guaranteeing conditions that will enable it, in full autonomy of program and research, to fulfill this role to the maximum.

There cannot be development and transformation in the society without a rigorous defense and strengthening of freedom of culture and research, without support to its intrinsically innovational capabilities.

The following are priority objectives with respect to the university:

- Programed increase in the number, qualifications and training of graduates and diploma recipients up to the standards of the most technologically and scientifically developed countries;

- Distinguishing of functions in training requirements for medium-high occupational skills, with introduction of intermediate qualifications and flexible courses of study also to eliminate the current gap between the number of enrolled and the number of graduates;

- Competitive realization of university autonomies in the fields of teaching innovation and scientific research;

- Programed financing of research, with integration of public and private resources;

- Thorough review of the right to study to eliminate the assistance policies that today reward the medium-high income categories, rebalance the specialty fields, and promote and protect merit.

A university system that fulfills these functions assumes a corresponding reform of secondary and elementary education.

A positive response must be given to the demand for quality by the great majority of youth.

To this end, we emphasize the urgency of approving serious reform of the secondary school based on increased scholastic obligation, a precondition for cultural growth and the country's development, and on cultural and scientific content that will give the young people an education and vocational qualification that is flexible and adequate for the new processes that technological innovation is imposing on production, social organization, and work.

Education is a good in itself and a factor in civil growth. A more comprehensive and qualified cultural education is the indispensable fount of independence and individual freedom, and the basis for any vocational activity. The public school must guarantee to everyone both the basic cultural education and the fullest pluralism of cultural directions. Raising of the scholastic obligation and reform of the elementary school is indispensable, also to enable implementation of the new programs.

The PCI commits itself to increased quality of the public school and to opposing emergence of strong pressures for privatization of education.

Today, education is a need that continues throughout the life of an individual, as a result of cultural desire and the necessity to continue vocational updating. This has produced the need for an integrated education

system that is able to use the most advanced cultural and technological resources by aiming at the interest of individuals and the community. An integrated education system must provide, between school and vocational training, flexible and quality lines of study and arrangements, aimed at the employment objective.

To achieve this the following are necessary: a) exploit and upgrade the professional skills of the teachers; b) reform and decentralize the school administration; c) guarantee a real school democracy (student bill of rights, reform of the collegial bodies); d) guarantee throughout the country the material conditions necessary for conducting the school activities (buildings, classrooms, gymnasiums, scientific laboratories, teaching equipment, etc).

The Italian culture is one of the main resources on which our country can rely for its development; but the benefit from it is only partial. An immense historical-artistic heritage requires on the part of the public authorities the application of much larger financial resources, redefinition and coordination of powers with corresponsibility of the regional authorities, and a relationship with private enterprise that, without unexpected actions or sell-outs, promotes in this economically important sector new energies and capabilities. Under these conditions the maximization of cultural assets can be a significant source of employment and technological innovation.

In the entertainment sector, live and recorded, the programs sponsored by the national audiovisual production are of basic importance, in support of the performance places, by regaining public attendance, but scarcely adequate. The Italian movie industry, in particular, is fighting a serious crisis, not of creativity but financial and commercial, that requires immediate actions.

Just as urgent is legislative definition of the theater, music and dance.

Finally, under the new conditions created by the technological innovation, it is necessary to continue and strengthen the struggle against any censorship, against monopolistic concentration, and for freedom of cultural expression and artistic creation.

#### D. Reform of the State and Democratic Institutions

The necessity for a reform of the institutions has been assuming an increasing urgency and ever more decisive importance in the various representative sectors of the state, civilian and military. In regard to all the armed bodies of the state, it is necessary, in accordance with their institutional duties, to promote and urge the continuing process of reform as prescribed by the Constitution, with a tighter link to the civilian society, so they will perfectly perform their tasks of preserving peace and defending the country. This has assumed added importance because of the crisis of the social state and the blows inflicted on it by the conservative policies. The institutional issue now looms as the central one in the life of the country, and highlights the necessity of working for full recovery and renovation of the representative character and decision-making ability of the democratic and constitutional powers. The institutional reforms are not separable from the necessity for a democratic economic programming and, in consequence, a redefinition of the role of the state.

In the south, particularly, no new development is possible without a profound renovation of the democratic institutions and of the state.

The uprooting of the Mafia and the other criminal forces is one of the basic preconditions and must be a national task and objective.

The power of the Mafia and the other criminal organizations strongly limits democratic life, civil society, and healthy and balanced economic and social development of whole southern regions. Moreover, it has spread to many regions of the country and has strengthened through its political ties and ties with public institutions, and through relationship with secret forces. This struggle must be waged with firm and total support of the state with a new policy toward the south, and with great solidarity among the democratic forces, like that achieved in the struggle against political terrorism. Such solidarity will be achieved through overcoming the old power system and profound renovation of the institutions and policy in the southern regions.

The crisis of the regional setup is serious, to the extent that there is a real danger of reversal of an entire regionalist process. Basic causes for this crisis can be attributed to the partial and incomplete nature of the state reform and the political responsibilities of the DC and its allies in how almost all the southern regions are administered.

In these times, facing the growing complexity of society and the crisis in operation of the institutions, there has been an attempt to pass off as simplification of the bureaucracy and decision-making procedures a concentration of powers in the executive, and a reduction of those in the elected assemblies; new forms of centralism; a minimizing of the role of the regions and local authorities; and proposals for modification of the election laws that will strengthen the executive.

These trends move in contradiction to the principles and sometimes the constitutional provisions, and are a basic element of the conservative offensive that has developed in the past few years. The republic's Constitution is the terrain on which to get back into action to restore the value of representation and legitimacy to the democratic forces.

The state is conceived by the Constitution as the guarantor and at the same time promoter of the rights of citizens: on this basis a democratic political and institutional system was established in Italy, advanced in many of its parts. This did not happen without struggles and clashes, arising from the effort of the dominant classes to maintain old positions of power and to prevent the affirmation of renewing ideas and movements. Some institutions, which give the Italian state distinguishing features, such as the regions and the local authorities, are now fenced in with suspicions and paralyzing commitments; new needs and rights call for attention; communication between the state and the civil society is becoming ever more difficult; and the big criminal powers, the Mafia and the Camorra, are extending their destructive capabilities.

Democracy, its protection, its development, the effectiveness of the instruments of popular sovereignty, and the upright functioning of the state

administration are today the central issues in the political and ideological clash between progress and preservation.

The PCI thus poses a democratic question of great importance. It is urgent to tackle, in an openly reformist spirit, the crucial points of participation, representation and decision-making, in a country that is going through profound changes in the social and production balance, and in the orientations of information and culture.

The PCI's proposals aim at achieving an effective centrality of Parliament and the elected assemblies, and guaranteeing the government's decision-making capacity. The PCI proposes, above all, a monocameral reform of Parliament, accompanied by a reduction in the number of deputies, to assure speed and responsibility of political decisions. In regard to the government, we favor a strengthening of the executive in the direction we indicated with the proposals for reform of the prime minister and his role and the reorganization of the ministries.

In this framework also fall the PCI's proposals for clear-cut rule changes that will assure rapid and effective parliamentary procedures, also providing for much shortened handling process for bills that are declared urgent; modification of Article 77 of the Constitution to avoid abnormal recourse to decreeing urgency; establishing a process of delegating that will enable Parliament, freed from small decisions, to devote more time to the major legislation and oversight activity, and, at the same time, enable the government to act with greater incisiveness and the regions to use their autonomous legislative power, which has been reduced considerably in the past few years.

A serious obstacle to the development of correct relations between the state and the citizen and between the state and business is caused in Italy, and particularly in the south, by the condition of the administration. The continuing anachronism of bureaucracy, old administrative legalism, rigidity, and excessive uniformity of the structures (along with actual forms of illegality) are one of the main reasons for the decline in the public role, which has been seriously afflicted by the methods of parceling out and control of power by the governing parties. It is necessary to create an efficient and qualified administration, a modern one, through reform of the government structure that will organize the structures to pursue specific objectives, moving from an administrative concept of "actions" to one of "programs," through reform of the ministries and their consolidation, placing responsibility directly on the leadership, collective bargaining that recombines the fragmentation existing today among public service workers, and a different citizens to institutions relationship.

In this context, the PCI proposes relaunching of the whole autonomous authorities system, not only as an essential instrument for people's participation and democratic expression of the state, as provided in the Constitution, but also as a precondition for creating a new economy and social development through democratic programming. Updating of the role of the regions and the local authorities is an essential and distinctive part of a policy seeking to tackle the crisis in the social state and launch a new and programed development of the economy and society. It is possible to attain



from all the resources only with a genuine decentralization of powers, for these reasons, it is time to redefine the matters and functions assigned to the regions by article 117 of the Constitution and restore to them the powers of programing and legislation. The role of the regions must be protected and strengthened by a special statute updating--where necessary--those statutes and regulations. The full implementation and development of the autonomous systems, as an instrument of economic and social growth and as the expression of the historical-political-cultural identity of the regions with special autonomy, constitute the qualifying objective for the communists' commitment to democratic renewal of the state.

The need for reform of the legislation on the autonomous authorities and regional and local finance does not reflect constitutional consistency alone. The reform plan must hinge on the essential role of the commune, as the institution of general representation, and of the province, as the intermediate body between region and communes with functions of programing and coordinating. The regions and local authorities must become institutional bodies capable of undertaking development of new quality, of responding immediately and efficiently to the expressed demand of the production system, and of implementing the requests that come from an ever more complex society, differentiated both socially and geographically. To this end, we emphasize the need for more appropriate forms of government in the metropolitan areas.

In order to open new channels of communication between institutions and society that will enrich and integrate the functions of the parties, the PCI supports the movement for "rights charters," for giving adequate scope for initiatives, groups, and associations that, while not identifying with parties, devote political support to the major issues of peace, the environment, status of women, and the underprivileged. The rights of national and linguistic minorities present in Italy must be protected with urgent legal regulations, and in particular a law on the Slovenian national minority must be approved as soon as possible.

In order to broaden the scope of our democracy, the PCI is committed to improving and updating the current practice of popular initiative and referendum. In particular, popular legislative initiatives must be promoted, providing guarantees that they will in fact be discussed by Parliament and the other elected assemblies and so that a decision will be reached on them within guaranted periods.

Relating to another aspect, it is urgent to establish a parliamentary investigation committee to identify the political reasons for failure to punish the massacres; just as urgent is reform of the state secret material and strengthening of the parliamentary control powers over the secret services, to prevent further regressions.

A rebalancing of the relations between parties and institutions is increasingly urgent. Action can be taken immediately on some of the factors in the current serious distortions with a new discipline in "appointments," reform of the institutions of political justice (immunity and investigation), with strengthening of Parliament's control powers.

Electoral reforms are also needed to bring closer together young citizens, particularly in the rural areas. It is necessary to strengthen the PUL, ready for discussion with the other political forces, proposals as a start--still in the framework of a proportional system--but also by "single name constituency," which would provide a more direct relationship between candidate and electors, a clear indication of responsibility to our parties in choice of candidates, and an adaptation of proportional representation. Elimination of the electoral college would result in avoiding the use for favoritism of administrators and the waste of financial resources, often very large, by individual candidates.

## 2. Social Justice

The administration of justice--civil, penal and administrative--is in a very serious crisis, as demonstrated by the difficulty in tackling the Mafia and camorra attacks, the number of judgments awaiting final sentence, the continuing failure to provide for the convicted; and the average length of civil and administrative proceedings, now little short of 10 years. The danger is considerable. In the absence of a coordinated response, organized crime is strengthening. In many imprisonment prison life has declined to serious levels of deterioration, to the detriment of all the personnel. The possibility of law suits against judges, citizens' rights without protection within the judicial process has produced an anomalous development of the institution of temporary suspension of administrative activities, which now constitutes a constant threat for local government.

The PUL sets an agenda, and calls, in the short and medium term, reform of the penal, civil, and administrative proceedings, prepared with advance consultation of the parties based on which require more urgent action and which are subject to discussion in parliament. Among relating to personal freedom and the right to achieve self-representation by the poor. These actions must be accompanied by a serious overhaul of personnel and structures.

For the long-term, the PUL reaffirms the constitutional principle of independence of the judge and the public prosecutor, and affirms the necessity of reform of magistrature, responsibility, the temporary nature of director appointments, measures to provide incentives for professional capability, as well as creation of a system of the judge for matters of lesser importance. Reform of the penal code will be undertaken, beginning with matters in which there is some discrepancy between the law between legal and illegal, and between civil and criminal law, and measures of political and administrative discipline and that will be done, not to crimes committed through the press and those against the public administration. In future there should be more explicit proof of evidence when the law does not, at any rate, penal action, creation of the Supreme Court, and the PUL as the extreme remedy. The PUL has outlined the constitutional principles, which are essential for the independence of the magistrature, and the powers and duties of that body to be defined explicitly and that it be provided all the rule-setting and technical instruments for the law to be able.

In penal proceedings, the PUL has also called for a continued. In the field of legal training, the PUL has proposed a responsibility of sentences in the execution of law must be carried out by judges, and the initiative for

abolition of the life sentence must be resumed, with all the richness of cultural and legal motivation that is behind it. Finally, it is necessary to reform the entire organization of prison personnel, viewed as a whole, from custodial officers to directors.

The possibility of a provision for indulgence linked to introduction of the law in preparation on the new penal process and the most urgent reforms in prison organization should be studied with care, also for the purposes of a rebalancing between degree of the penalties and real seriousness of the crimes, and recognition of resocialization of the prisoner that has occurred.

#### F Information

The absence of laws, regulatory actions, and adequate instruments has promoted the formation of large concentrations, in both the publishing and television fields, strongly interwoven and influenced by political power. The technological development and expansion in supply of information has not been accompanied, in the past few years, by a productive expansion of our national industry, either in the field of technology or of programs. In the absence of definite rules, the Italian system, because of the strong party control, risks threatening at the same time the citizen's right to information, protected by the Constitution, and the freedom and independence of newspaper and cultural production.

There must be an overall view governing decisions for all the communications sectors and organs. The destinies of the press as well as film and television are linked, and thus require unified laws and unseparated instruments of knowledge and direction. There must be legislative decisions and institutional instruments appropriate to this strategy. It thus appears urgent to have an overall and unified specialty of communication and establishment of an authority over the entire information system.

The democratic state must operate through affirmation of a mixed public-private system that will avoid, as has occurred in the most advanced countries, the forming of concentrations that are harmful to economic and cultural pluralism. This is the precondition today for rebalancing of the system and overcoming its current structural contradictions.

In the information system, a decisive role falls to the public radio-television service, which is called on to carry out a major renovation. RAI must be removed from a divided status and must define a strategy that, through productive and cultural upgrading of the presentation, restores the role and objectives of public service. Clear legislative decisions are also urgent in the field of the new technologies, reaffirming public ownership of the media and transmission networks, and defining the limits and conditions of the involvement by private concerns.

The adoption of antitrust regulations will inevitably also affect the large and easy transfers of property that end up as publishing groups financed by public funds.

the approval of measures to provide information and protection required in our cultural industry cannot be delayed, so is in April, with a European strategy, the dangers of dependence and exploitation.

Precisely because of the increasing importance of access to information, the subject of the citizen's right to information must be approached very seriously. A group of regulations that would regulate and supply (from) establishment of users associations and protection of privacy, and revision of Article 21 of the Constitution, could contribute decisively to defining this fundamental right of modern society.

#### Rejected Thesis Amendments

Titolo L'UNITA in Italian 17 Dec. 86, pages 110 pp. 0-9

#### [Amendments of Theses Proposals]

Next/ The following are amendments to the Theses Proposals and Program Document that were rejected by the IV and the IV, and whose publication was requested by the presenters.

#### Thesis 1.

At the beginning of the 12th paragraph, before the sentence beginning "In the area of the developing countries..." insert the following sentence: "The communists work for the overthrow of capitalism." Canada.

#### Thesis 12.

Substitute the following for thesis 12: "From the self-critical reflection in progress in the European social democracies, from the German and British to the Scandinavian, there emerges the conclusion that the experiences in social reform, redistribution of income, and expansion of cooperation have run up against incapability to bring under discussion the mechanisms of accumulation.

"The Western 'model' (and its 'welfare state')—under the blows of the trade wars, militarization of the economy, and the neoliberal offensive—has entered a crisis. The realization that not only has it not succeeded in producing forms of conscious control of development, but that it is incapable of guaranteeing man's first, fundamental freedom, the right to work, is indeed present not only among communists but among the socialist and social democratic forces, Christian-oriented movements, and those of new orientations, environmental and feminist, and many organizations. Among all these forces there are necessary and possible broad and effective convergences.

"The PCI is an active and important element of the European left, but without the desire to restrict the party's action or reference to the Western European framework alone or to the social-democratic alignment. Looking to association, in any form, with the Socialist International, would mean disowning its identity and breaking with the party's tradition." Canada.

#### Thesis 13.

In paragraph 1 and paragraph 12, replace the phrases beginning with the words "At the same time they confront..." up to the words "with the question of popular initiative" with the following phrase:

"The October Revolution changed the course of history. It remains for all socialists a fundamental reference point and a permanent ideal inspiration.

"The international autonomy of the Italian communists is beyond discussion. Also beyond discussion is the unproposability of transferring here the Soviet model, the product of quite different historical conditions. We reaffirm that for the future of a socialist society in our country, for development, and for the conditions appropriate to it, Togliatti's indication of the Italian road to socialism remains fundamental, to achieve through the action of a great mass party a common reforming strategy of the Catholic socialist and leftist popular forces, in full respect for political democracy and on the basis of a progressive control of the economic processes. Along with this is necessary a great further collective effort of theoretical deepening and decisive relaunching of a resulting mass and parliamentary political struggle.

Cossutta,

In paragraph 3 and paragraph 4, after the words "Our autonomous concept of international relations" replace the phrases beginning with the words "free of prejudicial issues" up to the words "of detente and disarmament" with the following sentences: "...does not prevent us from seeing that we are in a historic phase that is preparing more advanced experiences and changed processes of construction of socialism. In this context of research, debate, and critical rethinking, the current Soviet positions demonstrate a strong innovative desire that is being carefully evaluated and positively appreciated.

"In the environment of a rapid development of a society that in a few decades has solved man's basic needs, there is underway in the Soviet Union, within the limits and difficulties that remain, an intense critical reflection and a broad, profound political action including impulses for diffusion of innovation, decentralization of management mechanisms, increase and improved quality of consumer goods, and new forms of popular control, along with renewal of the distinctions between party and state.

"No less significant are the positive new elements emerging in the Soviet initiatives and foreign policy actions directed to an increasingly effective peaceful coexistence, with urgent proposals and decisions for arms reduction and expansion of international relations, beginning with resumption of more profitable relations with the Chinese People's Republic and particular attention to a possible independent role for Western Europe in the process of overcoming the confrontation between blocs." Cossutta.

1981/11.

Add the following sentences:

"We have the right and the duty to call on the democratic forces of Italy and Europe for the same autonomy of judgment and independence in behavior in regard to the policy of the United States as we have shown in dealings with the Soviet Union.



"The culture of Italian communists does not contain a degraded and sectarian view of the American reality: moreover, the democratic and progressive traditions of that country were important in the formation of generations of communists in the 1930's as well as in the 1960's. Not only through the history of its people, but also through the complexity of the tensions that that society constantly offers us, we feel that American society is still the bearer of values that contribute to defining a Western reality of which we feel part, because it still has things to say to the world.

"All this does not, however, negate the new and nullifying problem that has emerged in the most recent years: that of a new hegemonic claim by the United States. Reaganism is not a temporary trend, but expresses something more profound: a long-term response to the capitalist order's crisis of the 1970's that proposes a model for restructuring international relations and the balance of society, based on supremacy of the stronger and more dynamic countries and groups, and sidelining of the weaker. Hence the explicit threatening of the values of justice, equality, and solidarity that have inspired the democratic movements of our century.

"This seeking of world domination has used the East-West confrontation, emphasizing the ideological aspects and stepping up condemnation of the alleged threat of Soviet expansionism, in order to strengthen the subordinative commitments of the allies themselves, with the goal of restraining their competitiveness and affecting their political autonomy; and to block the multipolar impulses that have been emerging in the process of liberation of the peoples of the Third World. All this has been expressed in a constantly more aggressive economic and military policy; in outright rejection of any North-South negotiation and intimidatory use of the international financial organs over which the United States has control; and in dangerous chauvinist tendencies in American society.

"The condemnation of a model of economy and society that makes research and production of more new weapons the driving force of its own growth is coming from the very forces within the country that oppose the Reagan administration (and among them the movement of scientists and engineers is playing an increasing role). It is a model that is already twisting in practice the intent of the traditional military strategies and of NATO, which is increasingly tending to go beyond its original geographic limits, changing its defensive character, and eroding the power of control of the European partners.

"This plan for society and a new international division of labor has found supporters throughout the West, but the fact is that it is in the United States that it has found the material conditions for proposing the model to the world, and the interest in seeking to impose it. This gives rise to a dual contradiction: it is not possible for Italy and Europe to open the door to a new phase of development without opposing the general line of the economic and military policy of the current American leadership; and for the left to offer its own response to the problems of the crisis current in alternative to the social and cultural model that it, along with its Asian offspring, proposes to the world.

Thus, it is not only a matter of principle, but, in general, that Italy must stay in the Atlantic Pact with defiance, its own national dignity and the defensive nature of the alliance. It is a matter of identifying and recognizing the current and justified reasons for our autonomy. This autonomy--political, economic and military--from the hegemonic superpower of our camp is today a common interest of a broad European coalition; and it is the condition for Europe to be able to assume a significant role in those areas of the world to which the American policy represents the pale antagonist.

To this end, though it may be true that the Geneva Summit was unable to reverse the basic direction of U.S. world policy (and any illusion to that effect would be weakening), that meeting was certainly proof of the scope of the forces opposing that policy, of which it revealed the growing contradictions. It thus opens a new, dynamic phase, not easy nor of short duration, from which can emerge new multipolar balances in which Europe, West and East, can play an independent and positive role, and achieve a significant convergence with the American and Soviet reforming forces." Castellina.

Thesis 2b

Add at the end of the third paragraph:

"The conditions do not exist for a compromise with the big national and multinational financial concentrations, and thus with the moderate political forces that represent them.

"Controlling of the economic-productive restructuring, innovation, and a policy toward overcoming the imbalances thus requires instead the reduction of their excessive economic-financial power and the area of their social and political domination.

There emerge from these basic requirements the conditions and necessity for new and more involved relations between wage workers and classes and social strata that are different but all equally afflicted by this domination.

What is needed is a new economic policy that will converge in a coordinated strategy of professed objectives and action instruments the needs arising from the social struggle and the struggle for the environment, the struggles of labor and the underprivileged elements, along with the energies and needs of the broad elements of decentralized enterprise (craftsmen, small and medium industries and agricultural producers, etc.), the great reality of the cooperative movement (the central nucleus of the third sector of the economy), self-management, economic associations, and research.

On this point, the communists maintain that with such social forces we can and must establish a wide alliance such that it also will be able to become, together with the working class and technical and intellectual workers, a protagonist in the struggle for development and transformation of the country.

"They insist that an effective and resolute struggle against the monopolies and an advance toward socialism is difficult to develop without a strong

involvement of a broad part of such social strata, and without their autonomous participation in such struggle, both in the phase of developing the proposals and in that of execution and management of the initiatives.

"Only by this path is it possible to advance through an enduring change in the relations between classes in favor of the working masses and the elements of unconcentrated enterprise in the cities and countryside. Only by this path is it possible to face under new terms one of the central problems of Italian democracy, that of access to the country's leadership, along with the other major democratic popular forces, of the Catholic people's and working masses, also through their own independent search for new and unprecedented independent structures for the moderate and conservative forces that are now to a large degree subordinated." Cappelloni.

Thesis 27.

After the end of the third paragraph and before the beginning of the fourth paragraph insert the following sentences:

"The new technologies change the organization and forms of use of labor. They increase the occupational work forces with high technical skill, while research and development activities are integrated with much more effect in the production cycle.

"However, all this does not change the fact that wage labor remains a fundamental factor in the mode of capitalist production and creation of profit, and the fact that in wage work are to some degree reflected all the contradictions operating in the relationship between capitalism and society; thus, the 'wage class' retains a central and determining function within the broader range of forces interested in a profound change in the current economic and social set-up; and wage work in the central sectors of the capitalist cycle retains an objective vanguard function, through which its organization and its struggles (its victories and its defeats) influence the entire workers movement and the relationships of force between classes.

"The social and political remobilization of wage labor operating in industry, agriculture and services is the primary condition for waging the decisive battle today, that of employment. And this is the most serious national issue, whose solution depends not only on the ability to negotiate methods and time periods for industrial, wage, and work schedule restructuring, but above all on the economic policy decisions, all the investments in production and services, and the tax and credit policy. The resumption of the struggle movement is a precondition and necessary instrument for the technological innovations themselves and for a credible development alternative.

"Here there present themselves, in new forms, objectives of class unity and social alliances to defeat the policy that the capitalist forces are trying to apply in order to divert resources from social expenditures to the benefit of private accumulation, aiming at having a free hand in the labor market, keeping high the unemployment driving factor, and cutting back domestic consumption. The recovery of scientific research, technological innovation, and mass cultura as fundamental values of modern society (which can only be adequately realized under public control of development) is part of a

communist political program that, in addition, took the broad masses of small enterprises, cooperatives and craftsmen into account, and give all these social actors as protagonists in the process of transition to socialism. Cossutta.

Thesis 33.

At the end of passage 2, add:

"The push toward outlets for competition and increased direction has not resulted only from deliberate attempts for consistency. Some subjective shortcomings have also played a role. In 1961, there was a delay in realizing that reestablishment of democratic life in the union was becoming an absolute necessity precisely in view of the new configuration being assumed by the production development. We saw that the current production trends were increasingly toward differentiation of tasks, specializations, expertise, and forms of work. Thus, the reestablishment of a democratic life, from now on, more than ever, requires concerted and continuous search for a mass confrontation, and creation and formation of a concentrated mass power rooted in the rank and file. Rejection of an oligarchical practice, articulate discussion of the significant processes, development, and development and review from the base up of the activities represented by the essential conditions for overcoming the tendencies toward corporatization and to guarantee the broadness and vitality of a new constitution. The very aspect that production activity is assuming added even more emphasis and weight and is not constructed simultaneously from above and below.

"On the other hand, the issue of democracy in the work places is not limited to a problem of rules and internal activities. The articulation of democracy in the work places and the very activity of the leadership to be a political factor, are linked to a process of radical renewal of the country, renewal of the public structures, and socialization of the state. The problem is posed as the position and role of the union in the activity of the state, overcoming the shortcomings that have often assumed the union in relation with the public authorities and that have had a considerable effect also on the possibility of creating new forms of contact with the work places." Ingrao.

Thesis 36.

In the first paragraph replace the sentence "The aggravation of the crisis of the five-party set-up creates the situation and," with the following:

"The crisis of the five-party set-up, with the aggravation of its consequences on direction of the economic and social transformations and on proper operation of the institutional system, require the basic analyses and choice of the 16th congress: the democratic alternative becomes the alternative to the system of government based on the rule of the bourgeoisie and bourgeoisie by the DC, as a broadening of the democratic transformations and economic renewal of the leading classes, and as a political alternative to guarantee the autonomy and sovereignty, and the development of our country in a 1917 and democratic and democratic direction.

"The aggravation of the crisis of the five-party setup does not of itself create the conditions for a positive evolution, however..." Santostasi.

Thesis 37.

Replace Thesis 37 with the following:

"In order to face the existing situation in our country of a democracy that is blocked and in crisis, the crucial issue is reform of the state. An alternative policy cannot be launched without this reform. It appears as the essential course not only for rectification of the institutions and solution of the moral issue, but also in order to respond effectively to the major problems of labor, employment, and quality of life that are so acutely on today's agenda. The role of public initiative, far from disappearing, is called on for higher responsibilities and a new relationship with society. The same term "programing" is no longer adequate to portray the type of widespread, differentiated and developed social initiative that the state must be capable of stimulating and promoting, overcoming petty and wrong forms of bureaucracy, centralization and party struggle.

"This is the motive of us communists in proposing to the constitutional forces the need for a term-limit government, which we call a constituent government to indicate the main rationale of its formation. It should have the task of enabling rapid implementation of the most urgent institutional reforms, whose main themes are the structure of the government and public administration, the bicameral parliamentary system, control of the economy and the information systems, the justice issue, and the rules for decision-making in drawing up international treaties and on the major objectives of foreign policy. The term of this constituent government should be established as a set period: its task would be to achieve the conditions, climate, and positive political framework so that Parliament and the country could produce the necessary institutional innovations; so that then, with the institutional reforms and the new electoral system having been approved, it could call the people to the polls and call on them to express their will on the guidance to be given to the nation.

"A constituent government also represents the useful political framework for a strong revival of the whole system of local authorities, today afflicted by the five-party system, just when the necessity and timeliness of development are clearer than ever, not only of the organizations but also of the decision-making centers. On one hand, questions arise that can find adequate answer at the supranational level and by an increase in European supranational organizations. On the other hand, too great a number of public decisions remain piled up at the top level of the country, when instead their most appropriate and most modern place is in decentralized organizations, because of their links to the regional and local realities, the organization of the countryside, with the multiplicity of services, and with the specificity of the local expertise areas and occupations.

"The communists are also ready to tackle a reexamination of the electoral system. Now on the carpet are a whole range of proposals on which an exchange of views would be possible and useful, both to increase the choice and decision-making power of the electorate and to combat methods of favoritism,



phenomena of party deception, and unjustified position incomes. However, the dialogue on the system of representation cannot be limited to the methods for forming the basic elective assemblies. They must also deal with the important issue of the country's direct intervention, through the strengthening of the popular legislative initiative, and recourse to the device of the referendum (whether of a proposing, deliberative or consultative nature), and to new instruments of information and control from the bottom such as the "Charters of Rights."

"Thus, we are not proposing a return to the governments and politics of national solidarity, which were experimented with in the mid-1970's and which we regard as worn out. We reaffirm frankly that our objective is more than ever that of an alternative (of program and line-up) to the politics followed thus far, and to the DC and its domination. Instead, we want to point out the path necessary not only to unblock democracy and provide a method of alternation in leading the country, but make possible a real change in the orientations that have characterized the governments of the country in these decades and the staying in government of the Christian Democrats. With the phase of constituent government completed, and the rectifying measures preliminary to it launched, the political forces will assess the alternative positions and the alternative programs. The constituent government thus represents a condition and premise for the alternative." Ingrao.

Replace Thesis 37 with the following:

"The overcoming of the 'blocked democracy' is the main innovation in the system necessary for changing the political, economic, social and cultural directions of the country. It is thus necessary, in the crisis of the five-party set-up, that the forces of progress, which are a prisoner in it, should work actively to remove the prejudice that now excludes the PCI from the government and represents the main point of difference among the parties of the governing coalition. Furthermore, reforms appear necessary in the political representation that will encourage the coming together and regrouping of the forces that propose to overcome the "blocked democracy" and promote profound changes in the political and governing directions of the country.

"The proposal for a program government made by the PCI during the latest crisis linked to this aspiration an indication of some priorities (guarantee of Italian autonomy and sovereignty within the cited international alliances, economic measures designed to overcome the fiscal crisis and a freeze on accumulation, etc.), thus giving reasons for the need to surmount the political framework and change the government's directions.

"Although the five-party set-up may be reshuffled, its crisis remains; the factors that put it in conflict with the basic national needs are growing; and the tensions that pervade it are becoming more acute, paralyzing and distorting the action of governing.

"The PCI intends to develop the initiative and the joint discussion necessary to expeditiously go beyond the five-party framework. To that end, it proposes a program government that will have the priority objective of the institutional reforms useful for achieving a 'full' democracy." Vacca.

At the next to last paragraph the following sentences:

"Though it is true that Italian democracy, like all the other Western democracies, is exposed to tensions and challenges, it is also true that unlike the other Western democracies it can still benefit from the great resource of the alternative. Nevertheless, the alternative is a process that requires not only a large political and cultural commitment, but also adequate institutional corrections. The new rules of the institutional political game that can restore life to the political dialectic and raise the degree of democracy in the political system should inspire the reestablishment of the principle of responsibility. Thanks to the combined effect of reforms of the Parliament-government circuit and differentiated reform of the electoral system, it will be possible for the citizens to produce with their votes a change in ideas, programs, men and coalitions that is democratically and expressly decided. To this end, the PCI is promoting a major political initiative intended to gain the commitment of all who desire to join the democracy of the political system with the democracy and renewal of the parties. The goal is to reduce party occupation of the institutions and the society and to push the parties to assume the role of interpreters of the needs of the society and translate them into policy proposals that only a renovated institutional and administrative apparatus can implement with efficiency and responsibility. By its proposal for the alternative and institutional reforms, along with its own internal renovation, the PCI is tackling the central issues of the political and social crisis and showing the path for a new development phase of Italian democracy." Turci.

Thesis 3).

In the fourth paragraph, after the phrase "Nevertheless, there are negative tendencies with which we need to cope..." delete the rest of the paragraph and add the following sentences:

"The ever more pronounced trend of decline in numbers and aging of members threatens to compromise the mass character of the PCI. There are worrying symptoms of crisis in the life of the party: low recruiting among the youth, drop in membership card issuance, weak involvement of engineers and intellectuals, a marked decline in participation of members in the party activities, omission of the sections from the decision-making occasions, and the drop in mass work. The same crisis in the committees of the left was not caused only by the breakaway decisions made by socialists, social-democrats and republicans, but also by the weakness of party initiatives, the absence of timely mass information, and our underestimation of the role of the sections and the district assemblies.

"This situation can only be overcome by a voluntary and organizational effort. It is in fact caused by the profuse blurring of the party's identity, the weakening of the basic ideals that have historically inspired the Italian working movement, and the decline in faith in the democratic and mass struggle for emancipation, in full measure and under the specific conditions of Italy, of a socialist society.

"It is necessary, however, to recall that a precondition for strengthening the party is decisive confirmation of the facts of its nature of being in the political, class and people's vanguard and its basic struggle character.

"The party must thus return to its role of mass organizer in all the structures of the society, leading the movement toward clear objectives of struggle and transformation.

"Finally, it is necessary that it fully regain its own independence of debate, decision and initiative in respect to the mass institutions and organizations, above all the union." Cappeloni.

Thesis 45.

After the ninth paragraph, add:

"Democratic centralism must express and lead into a unifying synthesis the many and diverse needs deriving from the changed social composition and the new nature of the party.

"The diversities of political positions now present within the party can be a precious heritage only if they compete freely in an open manner in the party organs, from the sections up to the Central Committee, with guarantee of the rights of minorities, particularly access to the party press, and if simultaneously clear decisions are reached.

"The Central Committee, the federal committees, and the section leaderships must always be effective centers in which the party initiative is decided and promoted.

"The budgets of the party and UNITA should be discussed in advance by the federal committees and then approved by the Central Committee.

"There should be a strong revival of the party schools.

"During the congress phase the right is recognized of all comrades to present or endorse documents or theses or amendments for discussion, and to have the effective opportunity to be involved so that at the end of the section congresses the actions will have been discussed and voted on.

"Furthermore, the delegates to the congresses of all party levels and the members of the leading bodies are elected taking into account the votes delivered by the various political positions submitted to the judgment of the congresses themselves." Cappeloni.

#### Amendments to the Program Proposals

In section A, paragraph 1 of the document, add:

"In face of the American strategy of supremacy, confirmed and aggravated by the program for militarization of space, Italy and the whole European Community find themselves at a crossroads: either to accept a long-lasting subordinate role in which will decline not only their economic and political autonomy but also their very cultural identity; or seek new paths of community cooperation, forging a new role on the world scene based on cooperation with

the developing countries and the socialist countries, for an outlook of disarmament and international economic cooperation.

"The commitments assumed in NATO in the last few years, the secret agreements never submitted for parliamentary ratification and which some ministers of the Republic are not even aware of, the uncontrolled use of our territory by foreign powers, and the dependence on them of our security services, all this seriously harms our national sovereignty and makes us coparticipants in initiatives that threaten peace in the Mediterranean and the world, and are anyway outside the original purposes and scope of the Atlantic Alliance.

"Therefore, Italy cannot remain in NATO if the conditions are not established to guarantee its full sovereignty. To this end, the forms of membership must be renegotiated; the request must be reaffirmed for removal of the NATO missile installations at Comiso, which are aimed at the Middle East; the foreign military bases (which are American and not NATO) on our territory must be eliminated; any idea of participation in the Star Wars projects must be rejected, including participation by private industry benefiting from state contributions; and the first experiments in denuclearized zones in the European and Mediterranean theaters must be requested and implemented, in the framework of a progressive East and West arms reduction." Cossutta.

In section B, replace the text of the "Energy" paragraph with the following:

"In the wake of the oil crisis of the early 1970's, an energy policy was proposed and implemented based on the concept of an emergency. The National Energy Plan (PEN) was developed on this basis, and the inevitability and rightness of resort to nuclear energy and big plants was supported.

"The PEN has proved itself glaringly wrong in the forecasts, and moreover failed to indicate the resources to implement its decisions. In regard to these forecasting errors, the failure to meet established goals, and the responsibilities of the bodies responsible for energy policies, there has been no serious critical reaction by the government, and no explanation has been given to the public.

"The recent updating of the PEN was also based on the same concept of an emergency, and with the same lack of reliability of forecasts, even though the majority and the government had to accept some proposals by the PCI.

"However, today the national and international energy situation is profoundly different and changed compared to the past. In this new framework, the resort to nuclear energy and big new power plants does not appear, and is neither inevitable or right for economic (also related to the no longer clear competitiveness of a nuclear kilowatt compared to other sources), security, and democratic reasons.

"In fact, some serious problems relating to the wastes and dismantling plants that have completed their cycle remain unresolved, and the effort to impose nuclear plants on the population, who in any case have the right to express themselves through referendums of regions or groups of communes exposed to risk, appears doubtful and not legitimate.

"The road to follow is another instead, taking into account that a new and effective energy policy is an important condition for achieving a new economic, social and civil development.

"A policy of energy saving, development of renewable sources, and maximum possible use of methane, which is an important resource for developing the south and the rest of the country, is thus essential.

"Saving is the least expensive, cleanest and most efficient in energy production, and enables each individual to take concrete action in avoiding much unnecessary consumption of electricity.

"As for renewable energy sources, in regard to which the government's policy has been in fact a fiction that has stalled energy and resources, this is a matter of achieving a genuine and suitable turnabout. The possibilities are great, and so the commitment must be great and on a priority basis for further expansion of hydroelectricity in a widespread way, full development of geothermal energy, extensive commercialization of photo-voltaic cells (which enable direct conversion of solar energy to electricity), wind, biomass, etc.

"The renewable sources can and should in the medium term gradually replace the current energy producing structure, and, in the short term, contribute to satisfying a possible additional demand, while guaranteeing the prospect of the country's strategic independence.

"For all these reasons, a closer review of all the facts of the situation is required. This is why it is necessary to halt construction of new nuclear power plants, and, within a reasonably short time, to pass a law on procedures relating to environmental impact, and for the government to convene a national energy conference.

"The conference should be the focus for an open and constructive dialogue among the government, the social parties directly interested in the energy production cycle, the representation of the population groups involved at the sites, the environment movements and other interested associations, the trade union movement and the political forces, and the decentralized institutions." Bassolino.

On the Mussi amendment, the CC and CCC voted for division. The first three paragraphs were accepted and now introduce the "Energy" paragraph in section B of the Program Document. The others were rejected. The presenter proposed again to replace, in the fourth subsequent paragraph, the approved text with the following:

"Energy consumption in Italy and the other OECD countries is significantly below the forecasts prepared in the past few years, and tends to be stationary or slightly increasing, even though the composition has changed, with a relative increase for electric power consumption.

"Nevertheless, in 1984 our country imported energy products worth 35 trillion, of which only one-fifth was for purchase of fuel to supply power plants, and all the rest for private and industrial consumption. In order to reduce the deficit it is thus essential to make rational use of energy (energy saving),



necessary resort to national sources (essentially the renewable sources), and diversification of the current main sources for electric energy production. In addition to oil, in particular methane and coal, to which the resort should be limited and controlled, not with huge plants, with compulsory use of all the technology for protecting the environment and health, and with careful evaluation of the sites for locating the plants.

"On the other hand, the resort to nuclear energy--as far as discussed by the Parliament in this connection--does not appear rational and necessary, not only because of the high risks generally involved in this type of plant and control of the waste produced (already existing in significant quantity in our country without adequate security measures having been taken and thus posing serious problems), but also because Italy should start a program of its own, since the other countries, with the exception of France, have not completed their programs and some are drastically revising them, prominent among them the United States, because of the implementation difficulties experienced, not only technical but political, and because of the strong, progressive escalation of the cost of the nuclear kilowatt hour itself.

"Furthermore, the factors in implementation of energy policy that must be strengthened are taking charge of care of the environment, security of the plants, and balanced development of the land as the parameters on the basis of which to define the timing and location of various installations and individual actions. Hence, the importance also of reform of the energy bodies, the involvement--in the most appropriate ways--of the local and regional bodies in management of the PEN, and the undertaking in the short term of legislative measures for more modern management of security and the environmental impact of energy investments (and more generally production investments)." Mussi.

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CSO: 3528/45

## LOOKING AHEAD TO SECOND ROUND OF PRESIDENTIAL ELECTIONS

## Rightist Vote

Lisbon EXPRESSO in Portuguese 10 Jan 86 p 3

[Article by Jose Antonio Saraiva: "For Whom Will the Right Vote?"]

[Excerpts] At this time, there are two questions that must be answered in order to find out who will proceed to the second round of the presidential elections.

One of them is the following: what will be the left's "useful vote" on 26 January--Lourdes Pintasilgo or Salgado Zenha?

The other is: what will be the right's "useful vote": Freitas do Amaral or Mario Soares?

In regard to the second question, there are two types of reasoning.

On the one hand, there are those who think that it is necessary to concentrate all the votes on Freitas do Amaral right in the first round, since there is a (remote) possibility that he could win at that time.

In that case, all the "tactical" votes of the right for another candidate would be lost.

Worse: They would be dangerous, insofar as they would prevent do Amaral's victory in the first round, leading to a second round, when there would be the risk of a leftist candidate emerging victorious.

For those who think like this, the question, then, is "all or nothing": the sole way to protect the Portuguese right from a hitch is to play all the cards on the 26th in an attempt to solve the question without further ado and thus not give the left (which seems to be divided at this point) the possibility to unite itself around another candidate in the second round.

However, there are also those who think differently.

There are those who think that it is utopian to think of a Freitas do Amaral victory on the 26th; this being the case, the best way for the right to defend

itself is to vote in such a way as to guarantee the passage to the second round of the "lesser evil" among the candidates of the left.

In this context, (and given the fact that do Amaral already possesses the first place in the initial round) the "useful vote" must be given to Mario Soares, guaranteeing him the second spot and rejecting both Zenha and Pintasilgo.

As is well known, both manners of thinking are logical.

But which one will be seightier for the conservative voters who have not yet made up their mind?

It is impossible to know. However, something can already be said about it--and it is extremely strange.

In the first round, Soares is dependent on the votes that the right wishes to give him: but in the second round--if he gets there--the opposite will be true: he will be dependent on the votes that the left (that is, the PRD and APU voters) may wish to give him.

In the first round, in order to beat Pintasilgo and Zenha, Soares needs to rely on part of the voters who would normally vote for do Amaral; but in the second round, in order to beat Freitas, Soares will need to obtain the vote of a large part of the electorate who voted first for Pintasilgo and Zenha.

A difficult task: Soares must convince the right, in a first phase, that he is the candidate most likely to defeat the left. But in a second phase, he must convince the left that it is necessary to vote for him in order to oppose the right.

#### Leftist Vote

Lisbon EXPRESSO in Portuguese 18 Jan 86 p 3

[Article by Jose Antonio Saraiva: "For Whom Will the Left Vote?"

[Excerpts] Today, let us discuss the left's "useful vote."

The PCP candidate, Angelo Veloso, has expressed the problem in the right terms. Veloso has never said that Zenha is a better candidate than Pintasilgo. He also has not stated that Zenha would be a better president than Pintasilgo.

Why?

Because the PCP knows that if it raised this question, it would be initiating a discussion without an income, that would leave the communist voters more confused than ever.

The PCP could never explain the reasons why it chose Zenha over Pintasilgo. Thus the need to state the problem in different terms.

In other words: insofar as Gen Eanes and the PRD [Democratic Renewal Party] have supported Zenha, the PCP could hardly not do the same.

In the statements of the PCP and of its candidate, Pintasilgo is portrayed as a "divisionist," and any votes for her are "lost votes," as their only result would be to make Zenha's passage to the second round more difficult, thus making Soares' life easier.

This type of argument, unbeatable on the surface, has, however, many weaknesses. For example: who would be, between Zenha and Pintasilgo, the best candidate to face do Amaral in the second round?

Easy.

Pintasilgo does not awaken serious resistance in the PCP, the PRD and even the PS electorate.

In a second round between Pintasilgo and do Amaral, those who voted APU, PRD or PS in the parliamentary elections would not be too reluctant to vote for Pintasilgo.

How about Zenha? The case is different.

For Pintasilgo supporters, the Zenha candidacy is mostly a case of "treason" by the Eanists (if not by Gen Eanes himself), whose moral obligation would have been to support her rather than launch another candidate against her.

For Soares' supporters, Zenha appears like a "renegade," who did not hesitate to ally himself to his party's principal enemies in order to become president.

For these two reasons, it is probable that most of those who would vote for Soares and Pintasilgo in the first round, would prefer, in the second round, not to vote for anyone rather than vote for Zenha.

In a sense, Zenha has become, in their eyes, the "main enemy," and his defeat a necessary objective.

In truth, a Zenha defeat would be considered a redress by Pintasilgo supporters: the lady engineer would feel vindicated for the fact that Gen Eanes did not support her.

As for the Soares supporters, Zenha's defeat would be the definitive proof that he could never again defeat Soares, even if he would ally himself with Soares' enemies and those of the PS.

Once the question is put in such terms, it must be concluded that Pintasilgo would be able to unite the leftist electorate around her in a second round more easily than could Zenha.

Let us see whether, in one week, the leftist electorate that is still undecided will feel this way, or whether, on the contrary, it will show itself more sensitive to the arguments of the PCP.

Of course, a third alternative is also possible.

It may be that the left, undecided whether to give the "useful vote" to Pintasilgo or Zenha, will split its vote in a way that will guarantee Soares' passage to the second round.

Whose, then, would be the fault?

Pintasilgo's, who refused to withdraw in favor of Zenha, or Eanes' and the PCP's, who refused to support Pintasilgo and presented another candidate in the same area?

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CSO: 3542/58



## 'TRUCE' IN SECURITY POLICY DEBATE TIED TO PALME'S MOSCOW TRIP

Stockholm DAGENS NYHETER in Swedish 4 Jan 86 p 2

[Editorial: "Security--a Question of Defense"]

[Text] The security policy debate has crossed over into a fencing duel about the coming defense appropriation. That is the conclusion drawn from the interviews during recent weeks of party leaders on the morning radio. The prime minister can travel to Moscow with the--hesitant--blessing of others.

Old accusations have been set aside. Today Ulf Adelsohn certainly refrains from saying that the prime minister's policies are "very damaging to the country." Neither does Olof Palme speak about the nonsocialists as a "danger to neutrality," which he did when the opposition proposed the no-confidence vote against the then foreign minister Bodstrom.

The prime minister has stopped claiming that it is incorrect to speak of a basic unity among the Riksdag parties on Swedish security policy. He said that when the Defense Committee presented its security policy report last spring. The air went out of the debate at the very moment that representatives of all the major Riksdag parties agreed that Sweden's situation had become more exposed in the event of crisis or armed conflict, and that tensions had increased even in peacetime.

The calm, however, is relative. The risk of new incidents, outbursts and hard knocks remains, such as took place at one of the fall session interpellation debates, when the prime minister's absence was explained by conservative Carl Bildt as being "a not unexpected sorry performance."

A calmer security policy debate makes it easier to see the differences in fact between the government and the opposition, as well as within the opposition.

In a vaguely comical way there is already disagreement as to what caused this security policy truce. Palme says that the reason is that the Conservatives failed in their attack. According to Adelsohn it is the Social Democrats who have "quieted down." The Center Party's Karin Soder and the Liberal Party's Bengt Westerberg defend neither the Social Democrats nor the Conservatives.

Then what unites the nonsocialists? As expected, the three party leaders still believe that it was right to demand a no-confidence vote against Bodstrom. Its rescheduling after the election shows, they believe, that the prime minister realizes the correctness of the criticism of the foreign minister following his careless submarine statement.

Opposition representatives are also thoroughly vigilant and little optimistic about Palme's ability to speak clearly when he meets Michail Gorbachov. Unwillingness in the radio interviews to draw conclusions about the meaning of the submarine violations after Harsfjarden was certainly conspicuous--and surely wise. It is clear, however, that the opposition sees the violations in an entirely different way than the government, as an obstacle in relations with the Soviet Union, although no determination of nationality has been made in almost three years.

Bengt Westerberg asserted most explicitly that Palme has not looked "the superpower straight in the eye." He compared the situation with the criticism of the United States during the Vietnam War.

When Palme says that no real reason for war exists in Europe, Westerberg says that the issue is difficult to judge. In a striking way it is also only the prime minister who points out the importance of foreign policy to Swedish security goals. On this point the analyses of the others lack breadth.

Faced with demands for greater defense appropriations--a sensitive question for his split party--Palme chooses not to tie himself down. Adelson claims that antisubmarine forces and air defense must get more, while Soder and Westerberg refrain from criticizing the present levels. But it is misleading that as they talk about "satisfactory antisubmarine defense" or such improvements that "violations will be prevented," neither Soder nor Westerberg appear to have become involved in the difficulties of moving ahead of present positions.

The Liberal Party leader has already said that defense appropriations should be at the "plus level" of the OB's future plan--500 million kronor more per year than today. On the radio he said that this could mean anything between 300 and 700 million in addition. This amount, which justly is entirely too low for the Conservatives, makes it easy for the Social Democrats to go up somewhat. According to the OB, however, it is far from being enough to keep pace with changes in the rest of the world.

Bengt Westerberg is not finding it easy to claim that his proposal really contains sufficient strength for the Swedish Defense Forces.

9287

CSO:3650/107

## SCHOLAR TRACES USSR VIEWS ON SWEDISH NEUTRALITY POLICY

Stockholm INTERNATIONELLA STUDIER in Swedish No 6, 17 Nov 85 pp 17-18

[Article by Bo Petersson, doctoral candidate at the Institute of Political Science at The University of Lund: "From 'Traditional' to 'Positive' Neutrality". First paragraph is IS introduction. Passives enclosed in slantlines printed in italics.]

[Text] Since the middle of the 1950's the Soviet perception has been that Sweden represented a so-called traditional neutrality. During recent years, however, there have been a number of indications that this view is beginning to be modified. According to these, Sweden should instead represent a so-called positive neutrality which, if correct, would be a clear departure from the traditional Swedish role of neutrality.

In the middle of the 1950's the Soviet view of neutrality changed radically. This was related to the doctrine of peaceful coexistence from the XXth Party Congress of 1956 which was accepted as a new general line in relation to the nonsocialist countries. In accordance with the new line it became more acceptable to those in power in Moscow that there were unallied states which did not directly or unconditionally choose sides in international conflicts. Previously the world was seen as strictly and irrevocably divided into two camps facing against each other, and war was seen as inevitable. Neutrality was seen as an entirely untenable intellectual concept because, among other things, it was considered that one side which conducted a just war must receive support and help from outside. Naturally it was reserved to Moscow to decide what was "just." Even though this aspect by no means entirely disappeared from this picture, it was pushed into the background by a Soviet international law innovation which was entirely foreign to what was prescribed by traditional Western teachings of international law. They asserted that the duties of neutral states applied also in peacetime, and that neutrality in war was actually only one of three separate main types of neutrality. The other two were called "permanent" and "positive" neutrality.

The latter category had only a unilateral statement of intention as its basis, and was represented primarily by the recently independent states of the third world, primarily in Asia and Africa. The positive neutrals were enjoined by the Soviet legal experts to conduct a clearly pro-Soviet policy, which was manifested by their obligation to fight imperialism and colonialism in all its forms. As models of permanent neutrality, Switzerland and Austria were

mentioned, which had neutrality guaranteed either by international agreement or written in their constitutions. With the great exception that the duties of neutrality should apply even in peacetime, the rules for the permanent neutrals were in rather good accord with the traditional doctrine of neutrality. However there were certain bridges between the two categories, which prescribed that even the permanent neutrals were obliged to conduct an active peace policy, struggling for nuclear disarmament and for nuclear weapon free zones. It is also noteworthy that in the case of the permanent neutrals the new Soviet neutrality doctrine was highly inconsistent. It said that in a number of ways the theory of neutrality in wartime was a separate type, unconnected from both others, and said that the permanent neutrals in peacetime could not do anything which would put their status as neutrals in wartime in doubt. This argument applied mostly to the neutral states eventually joining the Common Market.

The typology of neutrality had obviously been shaped to adapt to the strategy of peaceful coexistence. The international class struggle would of course be conducted by preferably peaceful means, and the socialist positions would be moved forward in the areas where this could happen without the risk of provoking a devastating nuclear war. The new neutrality doctrine helped to contribute to this goal by mainly guarding the status quo of the European neutrals at the same time as it left much space for the positive neutrals in the third world to move in a pro-Soviet direction.

#### Sweden's Position

Sweden obviously did not fit the pattern for either of the categories of neutrality in peacetime. On the contrary it turned out that the country was the source of much concern for neutrality theoreticians in Moscow. Since Swedish neutrality was neither established by international agreement nor written into the country's constitution, Sweden could not be seen as a permanent neutral. At the same time it was clearly said that apart from the legal basis of neutrality, Sweden had little in common with the positive neutrals. The way they chose to follow in most cases was instead to establish a special category for Swedish neutrality, namely "traditional neutrality" which appears to be closest to permanent neutrality. This special category appeared to withstand the test of time, and as late as 1978 an authoritative Soviet political dictionary stated that there are four main types of neutrality in peacetime, namely "permanent neutrality," "neutrality based on bilateral agreement," "traditional neutrality," and "positive neutrality." The traditional neutrality was said to be expressly represented by Sweden.

#### The Case of Finland

The Soviet view of neutrality, however, is far from static, as Finland has had occasion to experience. As several observers have confirmed, beginning with the transition from the 60's to the 70's it has become more and more uncommon for the Soviets to mention Finnish neutrality. When the term still appears it has been in connection with the superiority of the VSB treaty over neutrality, or also in official communiques which carefully mention "Finland's striving for neutrality." In unofficial publications, such as social science or historical works and articles, they have gone farther and completely omitted

the term. What they now say is that Finland is a country which, "conducts a peace-loving foreign policy, supporting the treaty of friendship, cooperation and mutual assistance of 1948." All this is in glaring contrast to the eagerness with which Finnish neutrality was hailed and emphasized during the mid-50's and early 60's. Certainly most indications were that Finland was then placed in the category of a positive neutral, but the contrast is still striking. The following wording from a 1979 textbook for foreign ministry trainees and others also seems difficult to reconcile with a Soviet view of Finland as a neutral:

/"The positions taken by Finland and the socialist states--primarily the Soviet Union--have during the 1970's, on many international questions obviously come closer together or become practically identical."/

#### Sweden's Neutrality: a New Classification?

On the question of Sweden, however, it is not so that neutrality as such is denied or ignored by Soviet observers. As confirmed above, as late as 1978 the dominant impression of Sweden as a traditional neutral which was held since the mid-50's was still in effect. During this time period it was certainly not unusual to criticize the way in which Sweden's neutrality policies were conducted. Complaints about "inconsistency" were many on those occasions when positions taken by Sweden went against Soviet interests. From the beginning of the 80's, however, there has been an entirely new tone coming from certain Soviet commentators, and it appears that certain observers have changed step concerning what type of neutrality Sweden should be considered to represent. In a dissertation prepared and published in 1982 by the Academy of Social Science of the Central Committee of the CPSU one finds the following statement about Sweden's foreign policy line:

/"...during the period of relaxation of tensions (during the second half of the 60's) Social Democratic leaders had the opportunity to change over from 'traditional neutrality' to 'positive neutrality.' This in turn guaranteed the Social Democrats' authority and Sweden's growing influence in many parts of the world, especially in the developing countries."/

The words are extremely cryptical--which naturally is most evident in the original language--and leave it unclear whether the author really believes that Sweden at the end of the 60's changed over to positive neutrality or whether they just had the opportunity to do so. This was made no clearer in one place where he used the epithets "traditional, positive, active or armed" as equivalent and equal descriptions of Swedish neutrality. Somewhat greater clarity was achieved when he later said that Swedish neutrality has an "active, positive character." Significantly greater clarity was used by candidate-member of the Politbureau, Minister of Culture Demichev, when in an article in 1984 in the CPSU newspaper KOMMUNIST he called Sweden's neutrality "positive" without mincing words.

#### Criticism of Policy's Content

Furthermore it is undeniable that lately there have been a number of extremely critical commentaries about the shaping and contents of Swedish foreign



policy. For example both Georgiy Arbatov and Lev Voronkov, both CC members and researchers at the Institute for World Economy and International Relations, IMEMO, have during recent years stated that Swedish foreign policy should be more active and more like that of Finland and Austria. Voronkov went so far as to call Swedish foreign policy antiquated, and urged Sweden to instead of passively waiting for a war situation, actively work so that such a situation never arises. In other words foreign policy must replace defense policy as the primary means of advancing Sweden's security. Just how authoritative Voronkov's views are and to what extent IMEMO should be seen as the exponent of the party leadership is subject to discussion. Whatever the case, in 1983 Voronkov presented his ideas, although in a somewhat less cultivated and provocative form, in a volume published by the Diplomatic Academy of the Foreign Ministry, which undeniably appears to indicate that his views have the backing of authoritative circles.

Now it must reasonably be said that commentaries of this type by themselves by no means need to mean that in Moscow Sweden is beginning to be seen as a positive neutral. The Soviet doctrine of neutrality of course demands an active peace and disarmament policy of all states, regardless of category. However it is undeniable that through the years the demand is made with significantly less intensity against the permanent neutrals than against Finland, for example, which from all indications is considered a positive neutral.

#### Comparisons With Finland

It can seem surprising that the critical comments are coming at a time when, as Orjan Berner describes it, "Stockholm's foreign policy line in areas which are important to Moscow, meaning arms questions in the Nordic countries and in Europe, have seldom run so parallel with Soviet positions." The fact is that Sweden on a couple of occasions is not only comparable with but is almost identical with Finland on questions of its peace and disarmament policies. For example, this is how it appeared in a 1982 report written in MGIMO, a training group for future officials in the Foreign Ministry:

/"One should also note that Sweden and Finland by virtue of their nonparticipation in military blocs and their active foreign policy courses play an outstanding role in the group of the nine neutral and nonaligned states who participate in the ESK [European Security Conference] process, and they can significantly influence this group's positions and attitudes on questions which concern the general European dialogue, security questions or questions about cooperation between East and West.."/

The outspoken author also mentioned that both countries' positions, "aided by certain efforts of socialist states' diplomacy," could be used to achieve diplomatic success for the socialist states.

If it should be so, as the referenced reports indicate, that Swedish peace and disarmament policies are seen as close to the positions of the socialist states, it can be expected that the critical commentaries by Arbatov, Voronkov and others were intended to achieve even more in that direction. In that case



one could suspect Soviet efforts to get Sweden to at least adopt the positions which Finland had when it was regarded as a positive neutral. Whether that is the case or whether they simply made the criticism in the hope of causing changes which did not take place cannot be answered here. In which case it is clear that there are tendencies toward change among the Soviet commentators regarding Swedish neutrality. This must then apply to neutrality classifications, the shaping of neutrality policy or the comparison of alternative parallels with Finland. There is every reason for Sweden to be attentive to the signals being sent out from different parts of Moscow. If the tendency to regard Sweden as a positive neutral becomes more widespread or downright predominant, it is certain that the Soviets can come with long range demands concerning the shaping and content of Swedish foreign policy. In the Soviet doctrine of neutrality, positive neutrality contains clearly pro-Soviet traits. It is hardly necessary to point out that such a position would be extremely uncomfortable for Sweden.

9287

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## POLL SHOWS CONTINUED ADVANCES FOR SOCIALISTS, LIBERALS

## VPK Seen Lacking Influence

Stockholm SVENSKA DAGBLADET in Swedish 29 Dec 85 p 6

[Article by Willy Silberstein: "No Measurable Effect From Falldin's Departure"]

[Text] The turbulence in the non-socialist bloc seems to have subsided. The Liberal Party is consolidating its leadership position, the Center Party remains at very low figures and the Conservatives still end up below the 20 percent in the SVENSKA DAGBLADET/Sifo [Swedish Institute for Public Opinion Polls] poll for December.

According to the poll, the two blocs are equally large, with 49.5 percent each. The parties receive the following numbers, with the changes relative to the November poll in parentheses:

- Conservatives 18.5 (0)
- Liberal Party 23 (-1.0)
- Center Party 8 (0), of which the KDS (Christian Democratic Union) ballot 1 (-1.0)
- Social Democrats 45 (+1.0)
- Left Party Communists [VPK] 4.5 (+0.5)
- other parties 1 (-0.5)

All changes are within the margin of error.

## Long-Range Trend

The advance of the Liberal Party has also had a profound effect on the long-range trend, which measures party support over a longer period. The figures are: Conservatives 20.6, Liberals 20.3, Center Party 8.8, Social Democrats 44.3, VPK 4.3.

The interviews were conducted between 4 and 17 December, when the usual question about the best party was put; 958 interviews were conducted during

at-home visits, and 1,006 by telephone. Blank votes or no answers were given by seven percent.

#### Not an End Point

According to Sifo chief Hans Zetterberg, the violent shifts now seem to be abating after a dizzy autumn. The election was not an end point but the development has continued, he says.

Practically all interviews in the December poll were made after Thorbjorn Falldin's historic press conference on 5 December, at which he said that he had been kicked out by the party's Election Committee and that he was leaving the post of party leader. A few days later Karin Soder formally took over the chairmanship.

The dramatic weeks for the Center Party do not appear to have affected the voters, at least not yet. New party leaders are usually able to attract both attention and increased support from the voters. But it is likely that the voters will take longer to decide how they like Karin Soder and the Center Party's policies.

#### Divided Party

Up to now mass media reports on the Center Party have largely discussed a divided party with factions which oppose each other. This is likely to change soon; in early 1986 the replies in the advisory contributions which the Center Party has requested from its member organizations will be in. A few weeks later the party is to state in a confidential session what policies are to be pursued in the future. Not until then will the voters find out whether the Center Party is going to make any course changes.

#### Within the Margin of Error

The Liberal Party thus appears to be stabilizing at figures which are far above the election result, which in itself was a huge success. The drop of one percentage point since the November poll is within the margin of error.

On a few major issues--raising the interest rate for state housing loans and expanding child care--the party has supported the government without this seeming to have frightened off the voters.

The Conservatives have stayed below the 20-percent level in Sifo's polls throughout the fall. This can be compared to the 30 percent which the party had exactly 2 years ago, according to Sifo. Many voters not only abandoned the Conservatives for the Liberals in the election, they like it so well with Bengt Westerberg that they have stayed on.

A few weeks before the administration is to present its budget, the Social Democrats have 45 percent. The proposal which Finance Minister Kjell-Olof Feldt and the rest of the administration will submit in early January is

expected to be harsh and will dominate a large part of the political debate during the spring. Maybe voters are deterred by restraint policies. Also, labor negotiations are due to be held this spring which might cause serious problems.

At the same time a budget proposal implies enormous possibilities. The large Social Democratic gain among the voters began precisely in January 1985, when the finance minister presented the administration's draft budget.

#### Not the VPK's Autumn

The VPK has not had a particularly successful autumn, according to the Sifo figures. The administration now needs the active support of an opposition party, since the three non-socialist parties are larger than the Social Democrats. Nevertheless, Lars Werner has not been able to influence the administration proposals very much, despite there having been talks between the government and the VPK.

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#### Liberal Party's Advance Continues

It has been a dramatic fall with major shifts in voter support. Although various measurements have yield different figures, the tendency has been the same: The Liberal Party has continued riding the wave of success, while parties which lost the election continued to lose afterward as well.

SVENSKA DAGBLADET here presents Sifo's polls for October, November and December, together with IMU's [Institute for Market Research] fall poll, SCB's [Central Statistical Bureau] voter poll and the election result.

An often repeated warning is again appropriate: individual figures cannot be compared, since the institutes use different measurement methods.

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	SVD/Sifo October	SVD/Sifo November	SVD/Sifo December	IMU November	SCB's fall poll	85 election
Conservatives	19.0	18.5	18.5	19.0	20.4	21.3
Liberal P.	23.5	24.0	23.0	21.0	17.9	14.2
Center P.	6.5	6.0	7.0	9.0	9.7	10.2
KDS	1.5	2.0	1.0	1.5		2.3
SDP	43.0	44.0	45.0	43.0	43.6	44.7
VPK	4.5	4.0	4.5	4.5	5.1	5.4
Environ. P.				2.0		1.5
others	2.0	1.5	1.0			

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## Reasons for SDP Success

Stockholm SVENSKA DAGBLADET in Swedish 29 Dec 85 p 2

[Commentary by Gunnar Andren: "The Political Situation"]

[Text] The most striking thing about today's and this fall's Sifo measurements is undoubtedly the changes in the relationships of strength between the non-socialist parties.

"The election on 15 September was not a natural end point in a process which took place and is taking place," says Sifo chief Hans Zetterberg. "The election may primarily be regarded as a station en route, albeit an important one, in this development."

"On the other hand, the polls in October, November and December indicate that a stabilization of the party sympathies has now occurred."

"As for the support of the Center Party, it should be borne in mind that it might take some time--perhaps several months after a definite change in party leaders has taken place--before it is possible to see clearly how the development in opinion will turn out for the Center Party. What has happened within the Center Party in connection with Thorbjorn Falldin's resignation is likely to be difficult to understand for many people," Zetterberg says.

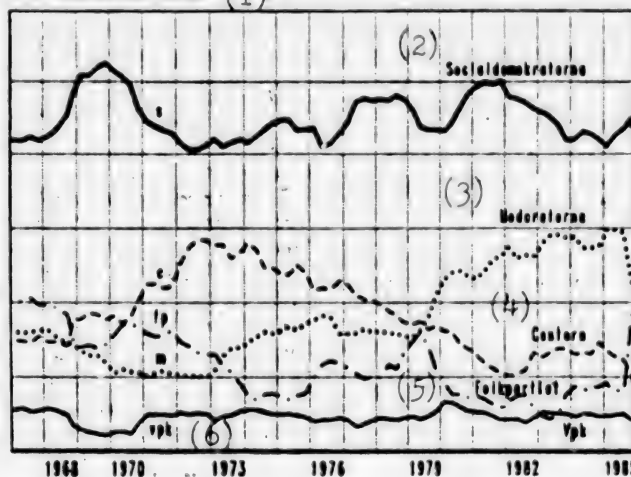
Thus, if the most spectacular thing about this fall's election is the shift between primarily the Conservatives and the Liberal Party, the stability in voter support which the Social Democrats are able to demonstrate remains the most significant from the aspect of long-range politics.

Although the government party was let down on election day by unexpectedly many of the voters who traditionally had been regarded as the party's safest supporters--people in modest circumstances, as they are usually called--the party receives the steady support of about 44-45 percent of the electorate. To be sure, it may be said that the Social Democrats were among the losers of the 1985 election, despite a powerful surge from the 39-percent mark in the Sifo poll a year ago today, and that the party after the 1982 election had about the same support in the polls as 3 years later--and that the government party at least partly "won" the election through idealization of what had been achieved in past years and through unrealistic, in part even purely false promises of what was to come: nevertheless, throughout the period the Swedish Social Democratic Party has constituted a force that lacks a counterpart.

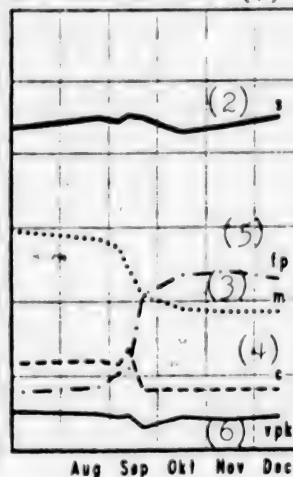
The fact that insufficient political will and decisiveness in the non-socialist opposition--ultimately resulting in the image of a lack of capability--plays into the hands of the Social Democrats and their support party in Parliament, the VPK, is also incontrovertible. The government party cannot reasonably be criticized for the fact that its predecessors take note of similar shortcomings.

# SvD sifo Väljarbarometer

LÅNGTIDSTRENDER (1)



SENASTE MÄTNINGAR (7)



The level of the long-range trend is:  
 Conservatives = 20.6 %, Liberals = 20.3 %  
 Center = 8.8 %, Soc. Dems. = 44.3 %,  
 VPK = 4.3 %.

Detail of the most recent part  
 of the diagram. Figures from  
 the table below representing  
 the past months.

- Key: 1. Long-range trends  
 2. Social Democrats [s]  
 3. Conservatives [m]  
 4. Center Party [c]  
 5. Liberal Party [fp]  
 6. VPK  
 7. Latest polls

Which party do you like best?

Reg. voters with party	Dec 85	Nov 85	Oct 85	Dec 84	Dec 83	Dec 82
Conservatives	18.5	18.5	19	29	30	28
Liberal Party	23	24	23.5	10.5	9.5	5.5
Center Party	8	8	8	14.5	11.5	13
(of which the KDS ballot)	(1)	(2)	(1.5)	(2.5)		
Social Democrats	45	44	43	39	41	45
Left Party-Communists	4.5	4	4.5	6	5.5	5.5
Other parties	1	1.5	2	1	2.5	3

Reg. voters with party preference	100	100	100	100	100	100
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Percent of reg. voters who return a blank ballot or have no party preference in personal interviews	7	6	4.5	8	4.5	4.5
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(No. of citizens interviewed)	(1,964)	(2,044)	(2,249)	(987)	(962)	(1,437)
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Of the interviews, 958 were conducted in homes from 4-17 December and 1,006 by telephone from 9-12 December.

In the September 1985 election the Conservatives received 21.3 percent of the votes, the Center Party 12.4, Liberal Party 14.2, Social Democrats 44.7 and Left Party-Communists 5.4 percent. However, the figures in the voter barometer should be compared with each other, not with the election result: Not everyone who has a party preference votes and the willingness to vote varies from party to party. The figures are rounded to whole or half percent.

No importance should be attached to changes from a trend level (see above under the diagram) smaller than 2 percent for the Social Democrats, Conservatives, Liberals and less than 1.5 for the other parties. It should also be remembered that individual changes in a series do not necessarily signal a new trend.

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But what is, then, this secret behind the political hegemony of the Social Democrats, if it is a secret?

There are of course many different and coordinating reasons, some more important than others. Although other factors may thus be said to be more significant in the long term, there may be reason to point out three explanations, not all of them quite appropriate, perhaps.:

1. Government competence.

Although the development in general, in full agreement with fundamental Social Democratic values, is heading toward an increasingly politician-controlled and collectivistically marked society, Social Democracy in power demonstrates a considerable ability to undertake political correction measures as soon as the development, above all in the economic area, threatens to go awry. This gives an impression of efficiency.

To be sure, in the long run almost anything might happen, as I have permitted myself to express this Social Democratic strategy, but in the short run the Social Democratic administration will never permit economic or political deviations or misvaluations to have such an effect and become so visible that the position of the party in power will be radically undermined.

2. The fixation on Olof Palme personally.

It is not exactly a state secret that the prime minister personally is controversial. It is indisputable that Olof Palme likes to seek out fights, even on issues where a fight seems totally superfluous or on which national interests advocate that unity has its own value. That Palme, consciously or unconsciously, has strongly contributed to the fact that we have acquired a different and poorer political culture and social habits than over the last

15-20 years, is an opinion which is probably widespread even deeply into Social Democracy.

But on the basis of this to allow oneself to be totally dominated by the actions of one person is probably a major mistake on the part of the opposition. Sure, the support for Palme within Social Democracy is rather complete as soon as it is a matter of just attacks on his person. On the other hand, the authority of the party chairman is likely to be considerably less than one is led to believe when it comes to individual issues, in particular in the economic sector.

It is therefore a misconception that it is possible to win elections based on criticism of the person of Olof Palme, as long as the Social Democrats retain alternatives such as Gunnar Strang and now Kjell-Olof Feldt.

It was of course no accident that in the 1985 election campaign the latter appeared on billboards just as large as the party chairman's. Even within Social Democracy there were "alternatives," yes, there are simply two movements within Social Democracy to vote for. While the majority of the ministers in Palme's cabinet are dependent to some degree on the chief of government, Feldt--just as former party secretary Sten Andersson---has been able to act from an independent political platform.

### 3. The budget-based opposition alternative.

Now we will soon arrive again at that time, when the opposition parties voluntarily present or are asked for their budget alternatives. As usual there will be differences in the proposals, savings and spending increases of immeasurable million- and billion-kronor alternatives.

To act and react in this manner in the role of opposition as a form of "alternative administration" is perhaps unavoidable for all who live in the world of budget deficits--and politicians of all parties do (except the VPK, of course). But simultaneously this means accepting the conditions and frameworks which the party in power imposes on the political debate: the visions of urgent changes in the world of the school, a health care ("the private room"), in the ownership sector and all other areas, tend to become a discussion about what one "can afford" over the next few months or year.

The budget-governed opposition policy is not a good way for progress. It is a lesson which the Conservatives, Liberals and the Center Party should be able to learn from the past years in opposition.

In looking at the development of opinion over 3 years, the most striking feature is that the Liberal Party in December 1982 had only 5.5 percent of the voter sympathies. Moreover, in January 1983 that figure dropped to just 4 percent.

It is understandable that Liberal supporters today relish the more than 20 percent who believe that the Liberal Party is the "best party." They should remember, though, that as yet no trees have grown all the way up to heaven.

The Liberal rating 3 years ago--and above all the political situation in which the party found itself at that time--today recalls to mind the situation of the Center Party. The leadership question was unresolved, as well as the party's political course.

In my opinion it was then Liberal leader Ola Ullsten's vaguely stated but yet obvious ambitions to seek cooperation with the Social Democrats which more than anything else brought down both him and the Liberal Party in the 1982 election. The liberal voters simply did not trust Ullsten not to seek cooperation or try to support a Social Democratic administration in some other way.

The Center Party now has two candidates for party leader, Karin Soder and Olof Johansson. There is a very great difference between them:

If Olof Johansson were to be elected party leader in Uppsala in June 1986, he would on election day in 1988--this is my firm conviction--be affected by the same mistrust that happened to Ola Ullsten in 1982. Even were Johansson not to enter into a single major agreement with the Social Democrats up to the day of the election, the voters will reason like this:

"No, he didn't before the election. But what happens now?"

There is no doubt that Olof Johansson's ambitions, just as Ullsten's, have been correctly understood by both Center Party and other voters.

The situation will be a radically different one with Karin Soder. On election day 1988 no one will suspect her, if she is the one who will be the new chairman of the Center party in June, of trying to approach the Social Democrats after the election.

If this analysis is acceptable, the choice of leader for the Center Party cannot be a problem. The outcome seems given.

#### Conservative Newspaper Comments

Stockholm SVENSKA DAGBLADET in Swedish 29 Dec 85 p 2

[Editorial: "The Absurd Development"]

[Text] In the Sifo poll published a year ago by SVENSKA DAGBLADET, 39 percent of those asked replied that the Social Democrats were the best party.

Today, one year and one election campaign later, Sifo shows that the support for the Social Democrats is 45 percent.

Ulf Adelsohn is complaining, and rightly so, about obstruction in the mass media and needling from the Liberal Party during the election campaign.

Thorbjorn Falldin is also justifiably complaining about subversive activity within his own party, which sapped the strength from the Center Party during the election campaign.

And Bengt Westerberg may, with even greater justification, be proud of a remarkable strengthening of his own party.

But together the three parties have failed miserably throughout the election year of 1985.

The collected result of the activity of the four parties is that the non-socialist bloc has weakened and that the Social Democratic position has been substantially reinforced.

This would not necessarily have been a major problem, if the Sifo figures had only expressed movements on the surface, if below this surface the three non-socialist parties had been in the process of consolidating the long-range alternative politics which they will use as a platform for the elections of 1988, 1991 and the years after that.

But that is not the case.

The election movement seems to have put fear into the non-socialist parties. In general the Conservatives have not been heard from since election day. On the other hand, the Liberal Party has been all the more active. But no one, not even the most devoted supporter of the party, can maintain that the past months have been used to carve out that clear alternative to the Social Democratic politics.

At present we see not only an upturn for Social Democracy in the Sifo polls. We also see a more fundamental reinforcement of the Social Democratic position in politics; they are in the middle of regaining the political initiative.

But they do not do so by means of the strength of their own visions. Instead, they demonstrate superiority in that "muddling through" of which Swedish politics increasingly seem to consist. They are better than the non-socialist parties in managing to pull themselves, and the country, through within the boundaries imposed by the post-war Social Democratic model.

And if the politics are primarily aimed at administering the Social Democratic model of society, it is reasonable that the Social Democrats should be reinforcing their positions.

At the same time it is, to put it mildly, somewhat surprising that the non-socialist parties allow the Social Democrats to regain the initiative.

When Social Democracy grew strong in post-war Sweden, this took place with the support of an intellectual hegemony. The Social Democratic party, and above all the LO [Federation of Trade Unions], formulated a long-range program for

how to reinforce the industrial base, at the same time as employment, private consumption and equality were to be promoted.

The Social Democrats have been forced to relinquish completely this intellectual initiative. That debate is today conducted on the non-socialist side of the court. It is a matter of how to promote industrial renewal, economic growth and in general the continued development of our society through liberalization of the economy.

In order to borrow an expression from political scientists Bjorn Wittrock and Stefan Lindstrom: the time of major programs is past.

This insight is not just widespread in scientific society. It totally dominates there.

And hand in hand with this the corresponding insight has developed in people in general. They see how the socialized sectors of society function less and less well. An increasingly poor state is able to preserve the heavy public systems, but not the activity for which the systems were once created in order to operate.

Nowadays, it is not only the post office which has abolished Saturday deliveries. The equivalent is happening to school education, health care and various social systems. The schools cannot pass on the education they were created to pass on. Health care department must close for lack of money. Pension promises cannot be kept.

When this happens it is the task of the non-socialist parties to criticize the Social Democratic system, which has turned out to be increasingly unserviceable.

The relevant question should not be the one posed by DAGENS NYHETER the other day, of whether the Conservatives should vote away the changes in the system. Instead, it ought to deal with what alternatives the three non-socialist parties present to the system which the Social Democrats have been allowed to develop rather undisturbed throughout practically the entire post-war period.

And it would certainly be surprising if one of the parties, in the DAGENS NYHETER spirit, replied that it does not represent any alternative to the Social Democratic system.

For we have learned one thing since 1976: Social Democratic policy is best pursued by Social Democrats. Today's Sifo poll bears evidence that the voters have realized this as well.



## Westerberg's Continuing Rising Popularity

Stockholm DAGENS NYHETER in Swedish 4 Jan 86 p 2

[Editorial: "Westerberg at the Top"]

[Text] Not since the time of Tage Erlander and Gunnar Hedlund has a party leader inspired as much confidence as Bengt Westerberg now does. Nearly half of the 1,600 who were interviewed by Sifo in November-December feel "great confidence" in the Liberal leader. Since he was elected party leader in September 1983 that group has grown from 9 to 47 percent.

Olof Palme, who has hovered below the 40-percent mark since the early 1970's, ends up in second place. He inspires the equivalent confidence in 32 percent, which is a step forward in comparison with a year ago. Sifo reports, however, that his curve has turned down after the election.

The two losers of the study are Ulf Adelsohn and Thorbjorn Falldin, who both lost big in confidence, and strangely enough received lower marks than Lars Werner. Only 16 percent of those polled have "great confidence" in the Conservative leader and 10 percent in the Center leader, who stepped down right after the period of the poll. On the part of Adelsohn, it involves a deterioration from about 30 percent a year before.

Why this rapid shift in confidence in the non-socialist parties?

One important explanation is obviously that Westerberg actually did inspire confidence by means of his assured behavior, that the voters appreciate properties such as knowledge and moderate objectivity. Simultaneously, through a series of ill-considered and -formulated statements, Adelsohn has come to appear in this respect as his opposite. The party leader who is constantly forced to explain himself is soon in hot water. Several of the "floating" non-socialist voters have moved their confidence from Adelsohn to Westerberg, who now in their eyes appears as the principal alternative to Olof Palme for the position of prime minister.

The failing confidence in Falldin is probably more connected with a lack of trust in the Center Party as a party. Having decreased gradually during his period in the office of prime minister, confidence in Falldin grew until a year ago, when the Center Party started acting increasingly vague before the imminent election. That he, as opposed to Adelsohn, has now received a low confidence rating even from his own party supporters, confirms that his position after the election was shaky.

But will Karin Soder or Olof Johansson be able to compete with the popular Westerberg? To a non-socialist party the election results depend to a large extent on what the voters think of the party leader.

11949

CSO: 3650/106



## STUDY FINDS DEFENSE WILL STRONGEST IN TIMES OF WORLD CRISIS

Stockholm INTERNATIONELLA STUDIER in Swedish No 6, 22 Nov 85 pp 28-31

[Article by Kurt Tornqvist, recently retired head of research for the National Psychological Defense Planning Committee: "Threat, Commitment and the Will to Fight." First paragraph is IS introduction.]

[Text] Since the beginning of the 1950's the National Psychological Defense Planning Committee has regularly measured the willingness of the Swedish people for armed opposition, even when the outcome was said to be uncertain. The measurements show that the willingness to fight increased when we saw external events as a threat against our own security--except when the threat appeared to be overwhelming, as during the 1950's nuclear weapon debate. And conversely the willingness to fight declined during periods of reduced tension. During conflicts which do not involve our own security, the willingness to fight is affected only when the involvement is great, according to Kurt Tornqvist, recently retired research head of the Psychological Defense Planning Committee.

It is a reasonable assumption that certain remarkable events and happenings out in the world and especially in our vicinity can have a tangible effect on Swedish opinion, mostly on defense opinion. But is there a measurement which can indicate the size of the connection? The measurements of attitudes toward defense and international conditions made by the Psychological Defense Planning Committee over a long period of years can offer certain possibilities to study this connection. This especially applies to the will to defend the country. This is now measured by an index which builds on three questions. One of these has been used since 1952. We have thereby derived a unique time series which makes it possible to study how this attitude is affected by certain international events. It should, however, be emphasized that the connections that we believe we see should not be regarded as proved causal connections, but are only to be considered as reasonable hypotheses of explanation.

What is the Will to Defend?

The concept has been the object of discussion and criticism, especially at the end of the 60's and the beginning of the 70's. People have thought that it was diffuse and vague. Different alternative descriptions and definitions

have therefore been tried without leading to any satisfactory solution. As Professor Jan Agrell writes: "And finally we still talk about 'the will to defend,' and therefore everybody thinks they know what we are talking about. I myself have defined the concept in the following way: 'By general will to defend I mean the individual's opinion or will that we as a collective society or nation should use our military resources to defend the country from a military attack or threat coming from outside.'"

Now the criticism has largely quieted down. A younger scientist, Klas Borell, has on his own initiative undertaken an examination of the measurement of defense will by the Psychological Defense Planning Committee which was published in 1983. In it he finds that the above theoretical definition of will to defend satisfies two requirements which he proposed, namely demarcation of defense-political positions and emphasis on the civic character of the phenomenon. Operationally, will to defend is measured by three questions, as indicated above, which are combined into one index. Regarding these operational definitions, Borell finds that correlation measurements strengthen confidence in their ability to discriminate. As to the reliability of the measurements he finds that two simultaneous but independent measurements strengthen confidence in their stability and that a test of their homogeneity shows an acceptable result.

The question which has been used since 1952 was originally formulated by the former docent, later professor of sociology, Gosta Carlsson, in connection with an opinion poll which the then Committee for Psychological Defense authorized. The question was, "Assume that Sweden is attacked. Do you believe that we should conduct armed resistance even if the outcome for us appears uncertain?" The question has subsequently been used in different opinion polls by the Psychological Defense Planning Committee, which were somewhat irregular at first but since 1965 have been annual except for 1970. The results appear in the table.

#### The Cold War, Korea and Hungary

The international situation during the first half of the 1950's was marked by the cold war between the United States and the Soviet Union, East and West. This influenced attitudes even in Sweden. During these years the will to defend was very widespread. Certain events probably also contributed to raise it to a high level. The high value, 79 percent, which was measured in the first poll in 1952, was presumably partly a result of the war in Korea, where the United States and its allies stood against China in an East-West conflict.

The measurements in 1956 and the spring of 1957 show the highest values which had so far been measured in these polls. The reason for the strong widespread will to defend is generally assumed to be the revolution in Hungary and the events in Budapest. Hungary's desperate resistance and the Russians' ruthless intervention deeply affected the Swedish people and thereby influenced opinions on defense.

The strong decline in will to defend during the second half of the 1950's is attributed to the growing debate about nuclear weapons and the question of whether Sweden should have them, a question which divided Swedish opinion,

mostly within the Social Democratic Party. This led to a strong increase in the number of "don't knows," almost a doubling. On the other hand the number of "negatives" did not markedly increase.

Vietnam, the Six-Day War and the occupation of Czechoslovakia

During the first half of the 1960's the will to defend recovered, and in 1965 registered again a high value, 79 percent. This result is believed to be due to the strong American commitment in the Vietnam War that year. Swedish opinion at that time still clearly pro-American. It is interesting that Swedish youth between 18 and 24 in both 1965 and 1966 registered a higher value for will to defend, 81 percent, than the average of the population.

In 1967 the Six-Day War took place in the Middle East, with Israel going to war against its Arab neighbors Egypt, Syria and Jordan. Swedish opinion at that time was clearly pro-Israeli, and was committed to the Israeli side. This commitment was reflected in the relatively high figure for will to defend, 78 percent that year.

At the same time, in 1967, another opinion process began to make itself felt. Now began a certain commitment for the FNL and against the United States. This opinion favored a revolutionary movement, the FNL, against established states such as South Vietnam and the United States. One of its slogans was "It is right to rebel." This opinion was therefore marked by attitudes which were negative for our own country and its defense. It was certainly a minority opinion, but its growth was reflected in the increase in the number of defense negatives during 1967, from 10 to 15 percent. One result of these opposing opinion movements was that the number of "don't knows" became unusually low, falling to 7 percent.

Especially among the young the commitment for the FNL grew rapidly. The number of conscripts refusing weapons increased quickly, and the number of negative responses among the 18-24 age group grew from 7 percent in 1966 to 19 percent in 1967. At the same time, however, the will to defend among the young was just as strong as in the population in general, 78 percent. This caused the number of "don't knows" among the young that year to fall to a record low 3 percent.

From 1968 to and including 1972 it was the Vietnam War which had the strongest impact on Swedish opinion. Commitment for the FNL and against the United States grew and seems to have affected the will to defend, which declined significantly from 78 percent in 1967 to 73 percent in 1968. The lowering of the will to defend remained unchanged through 1972, which is considered to be an effect of the Vietnam War on Swedish defense opinion.

Even more powerful was the negative effect of the Vietnam War on the defense opinion of youths. As with the population as a whole the will to defend sank from 78 percent in 1967 to 73 percent in 1968. But then it continued to decline to 69 percent in 1971, reaching a bottom at 63 percent in 1972. During the latter year the number of defense negative votes reached its highest point, 24 percent.

In 1968 another foreign event took place which strongly affected Swedish opinion, and that was the occupation of Czechoslovakia by the Warsaw Pact states. Immediately after the first week of the occupation in August SIFO took a poll which showed that the will to defend had sunk to one of the lowest measurements ever, 68 percent. In the poll by the Psychological Defense Planning Committee one month later, however, opinion had returned to a more normal level with a will to defend of 73 percent. The effect on opinion was therefore only temporary. Different reasons for this swing in opinion can be imagined. It could have been a shock effect of the unexpected and rapid occupation. It could also be related to Swedish sympathy for the Czechs' way of meeting the military occupation by unarmed means instead of armed opposition. When these means later turned out to be ineffective, opinion soon returned to its previous level.

#### Yom Kippur War and International Relaxation of Tensions

In 1963 the Yom Kippur War or the October War came to the Middle East, when Israel was attacked by Egypt and Syria. This time also Swedish opinion was on the side of Israel. A special poll at that time showed that Sweden together with Denmark, Holland and the United States were the most pro-Israel states in the world. The Swedish commitment to Israel in the conflict is apparently the cause of the will to defend rising that year from 73 percent to 79 percent.

Although the Vietnam War ended in 1973, the larger share of defense negatives that the war seems to have caused continued during the remainder of the 1970's. International developments during the second half of that decade also contributed to that. The Security Conference in Helsinki in 1975 and Carter's election as President of the United States in 1976 awakened hopes of a peaceful world. The international relaxation of tensions which characterized the following years probably reduced people's feelings of a risk of war. This probably weakened their will to defend during 1976-1980, with a low-water mark at 1977-78 when it stood at 68 percent. At the same time this feeling of reduced risk of war probably preserved the relatively high percentage of defense negatives which were inherited from the Vietnam War.

#### Poland and the Submarine Incursions

The experience of relaxed tensions and reduced risk of war ended for Sweden with the outbreak of internal disorders in Poland in the spring of 1981. The risk of Russian intervention in Poland to break popular opposition against the regime was seen to be impending. Facing this threat of a serious conflict in our vicinity, the will to defend increased significantly, from 73 percent in the fall of 1980 to 79 percent in the spring of 1981. The continued disorders in Poland during the following years have probably contributed to keeping the will to defend at a high level.

Another factor which probably also contributed to keeping the will to defend at a high level were the submarine incursions to which Sweden was exposed during the years 1981-1983. Of course the will to defend did not increase significantly, probably because it was already very high as a result of the disturbances in Poland. But then two other attitudes changed rapidly on the

two occasions when it could be confirmed that the incursions were of Soviet origin. These included the grounding of the Soviet submarine U 137 in Karlskrona archipelago in the fall of 1981 and in the spring of 1983 when the Submarine Commission established in its report that the submarine incursions in Harsfjarden in the fall of 1982 were Soviet.

One of the attitudes which drastically changed was the Swedes' attitude toward Soviet policy toward Sweden. In 1973 following the Vietnam war it was obviously positive, with an opinion balance of +56, and it declined steadily during the 1970's, but it was still positive in 1981 with a +8. But in November, after the grounding of U 137 in Karlskrona, it changed drastically in the negative direction to an opinion balance of -47. The percentage of the population who considered the Soviets a threat against Sweden increased from 14 to 34 percent. Another jump in the negative direction took place in May 1983 following the publication of the report of the Submarine Commission in which it was confirmed that it was a Soviet incursion in Harsfjarden. Then the attitudes became even more negative, and the opinion balance went from -49 to -69. Those who considered the Soviets a threat grew from 32 to 42 percent. The opinion balance has since remained on the strongly negative side, and in 1984 it was -75. See the following diagram.

The other attitude which was markedly affected by the above mentioned submarine incursions was the attitude toward the defense forces. Those who thought that Sweden's defenses were too small increased from September to November of 1982 from 22 to 42 percent. And from the fall of 1982 to the spring of 1983, this group grew from 29 to 46 percent. The ability of the defense forces to prevent submarine incursions by foreign powers was seen on these occasions to be clearly insufficient.

An entirely different reaction could be noted after the submarine hunt off Karlskrona in the spring of 1984. At the beginning there were great hopes that a penetrating foreign submarine could finally be forced up and identified. But despite lengthy efforts the defense failed in the task. This apparently caused disappointment and frustration on the part of the population. It is probably these sentiments which are reflected in a significant decline in will to defend, from 81 percent in the fall of 1983 to 74 percent in the spring of 1984. At the same time confidence in the ability of the defense to keep the peace declined from 53 to 41 percent. In the poll in the fall of 1984, however, both of these values had returned to about the same level as in the fall of 1983. The unsuccessful submarine hunt obviously caused only a temporary decline in the positive attitudes toward defense.

#### Threat and Commitment

We have seen that swings in the will to defend and other defense attitudes largely reflect events and happenings in the outside world. But far from all foreign events have any influence on defense opinions. The Soviet invasion of Afghanistan was thus not noted in the opinion polls of the Psychological Defense Planning Committee. Neither has the war between Iran and Iraq made any impact. Why is it that certain events in the outside world affect Swedish defense opinion and not others? My theory is that this can be explained by two factors, threat and commitment.



The two submarine incursions which were confirmed to be Soviet are examples of events which were seen as threats against our security and integrity and which reinforced defense opinion. Other polls also indicate that when the risk of war is seen to be increasing, will to defend increases. And vice versa. The relaxation of tensions in the world at the end of the 1970's probably contributed to the decline in will to defend during this period.

But the threat can not be so overwhelming that defense seems meaningless. The discussion about Swedish nuclear weapons at the end of the 1950's introduced a threat factor which said that destruction is so terrible that armed resistance would be meaningless. This discussion therefore appears to have weakened the will to defend. Now, according to the polls, the population considers the risk of a future nuclear war to be slight, and this threat factor is not believed to have any significant effect.

Swedish sympathies for East Europeans' struggle for freedom during the uprising in Hungary in 1956 and the opposition in Poland in 1981 are examples of commitment which strengthened the will to defend. Also Swedish sympathies for Israel, a country with the same democratic values as our own, had the same positive effect on defense opinion during the wars of 1967 and 1973. Also sympathies for the United States during the Cold War and the Korean War and the beginning phase of the Vietnam War in 1965 can be seen as examples of commitment which strengthened Swedish will to defend, because we believe that the United States stands for the same democratic values and ideals of freedom that we do.

The only exceptions are the commitment for the Czechoslovakian struggle for freedom during the invasion by the Warsaw Pact in 1968 and sympathy for the FNL during the Vietnam War in 1967-73 which both had a negative impact on Swedish will to defend. As for Czechoslovakia the effect can be considered to depend on the Swedes' wonder and sympathy for the Czechs' unarmed resistance, which probably weakened confidence in armed resistance. Concerning some Swedes' sympathies for the FNL and North Vietnam and the negative effect on defense opinion that we surmise it had, this can be assumed to result from sympathies for these actors with communistic values weakening the identification of the sympathizers with Swedish society and its values.

The fact that the Soviet invasion of Afghanistan and the war between Iraq and Iran did not appear to have any influence on Swedish defense opinion can be attributed to the Swedes not being able to make a commitment to any of these countries, which have entirely different judgments and social values than our own.

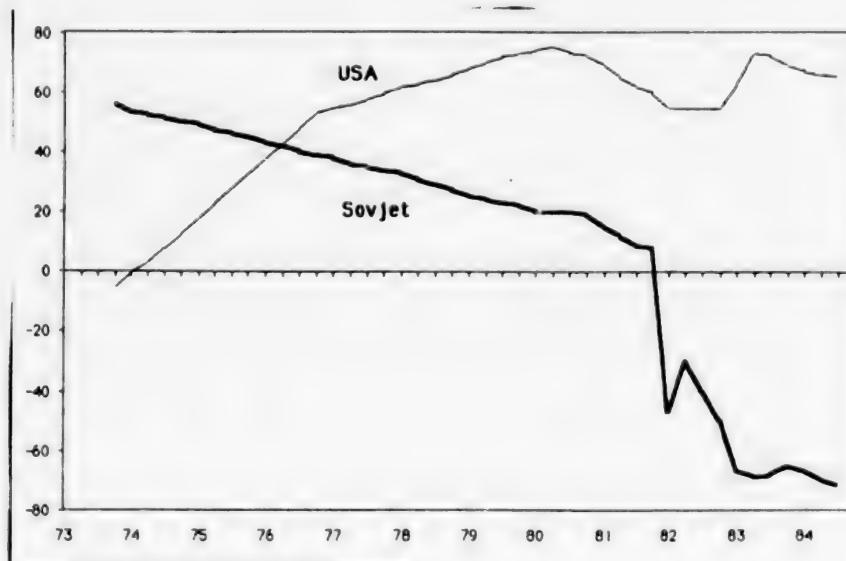


# Attitude Toward Armed Resistance to an Attack 1952-1984:

Question: Assume that Sweden is attacked. Do you believe that we should conduct armed opposition even if the outcome for us appears uncertain?

<u>Year</u>	<u>Yes %</u>	<u>No %</u>	<u>Don't Know %</u>	<u>Points</u>	<u>Index</u>
1952	79	6	15	2.73	104
1956	82	8	10	2.74	104
1957 V	84	9	7	2.75	105
1957 H	79	8	13	2.71	103
1958	66	12	22	2.54	97
1960	68	12	20	2.56	97
1963	71	13	16	2.58	98
1964	72	6	22	2.66	101
1965 V	75	10	15	2.65	101
1965 H	79	8	13	2.71	103
1966	75	10	15	2.65	101
1967	78	15	7	2.63	100
1968 H1	68	19	13	2.49	95
1968 H2	73	17	10	2.56	97
1969	75	14	10	2.59	98
1971	73	15	12	2.58	98
1972	73	15	12	2.58	98
1973	79	13	9	2.68	102
1974	75	16	8	2.57	98
1975	75	14	12	2.63	100
1976	72	15	14	2.59	98
1977	68	16	15	2.50	95
1978	68	16	16	2.52	96
1979	71	14	15	2.57	98
1980 V	72	13	15	2.59	98
1980 H	73	14	13	2.59	98
1981 V	79	10	10	2.67	102
1981 sep	78	11	11	2.67	102
1981 nov	80	12	8	2.68	102
1982 V	78	11	11	2.67	102
1982 H	78	11	11	2.67	102
1983 V	81	12	7	2.69	102
1983 H	81	11	8	2.70	103
1984 V	74	15	11	2.59	98
1984 H	79	12	8	2.65	101

Opinions on United States' and Soviet Union's Policies Toward Sweden in the Years 1973, 1976, 1979-84. Balances of Opinion.



9287

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## STRONG KRONE, DOMESTIC EXPANSION BEHIND ECONOMY'S RECOVERY

Stockholm SVENSKA DAGBLADET in Swedish 29 Dec 85 p 13

[Article by Lars-Georg Bergkvist and Johan Myrsten: "The Game of the Krone and the Economy--Denmark's Way Out of the Crisis." First four paragraphs are SVENSKA DAGBLADET introduction]

[Text] On opposite sides of the Oresund two entirely different solutions to the same economic crisis are being tried. While Swedish social democracy introduced "the third way" with low unemployment as the primary goal, Denmark was shaping a modern nonsocialist alternative.

In a series of reports and interviews SVENSKA DAGBLADET will describe the new Danish economic model which has had surprisingly rapid success.

Denmark has chosen its own way for the rest of the 1980's. A fixed rate of exchange and a wide-open currency policy have locked in the positions of the government and the labor market regardless of party for many years to come.

The results so far have been spectacular: interest rates have been halved, growth is the highest in Europe and inflation is the lowest in 20 years. "The Danish smile" has returned, and paradoxically enough that could be a problem. The Danes are buying as though there never was a crisis. The deficit in foreign trade will rise this year to 22-23 billion Danish kroner. Furthermore there are still nearly a quarter of a million Danes without jobs.

It was actually the large Swedish devaluation of 8 October 1982 which gave the newly formed four-party government of conservative Poul Schluter the launching pad for the new policy.

The Danes chose not to follow the Swedish example. Instead the government determined that a stable Danish krone was the basis for restoring the nation's economy. Thereby Denmark and Sweden each chose their own economic-political way.

Shortly thereafter the Schluter government had two opportunities to demonstrate that it was serious about the krone in the reshuffling within the EC's currency cooperation EMS.

## National Symbol

The Danish krone suddenly became a national symbol following years of repeated small devaluations. Later even the Social Democrats agreed with the fixed exchange policy.

This had amazingly quick success. In two quarters of 1982-1983 the interest rate fell from 22 to 14 percent. Since then it has crept down to the 10 percent level--which is below the Swedish market rate.

The government was helped in bringing about declining interest rates by carrying out elimination of Danish exchange regulations.

Among other things, Danish firms were freed to borrow abroad, and Danish citizens acquired the right to buy foreign stocks and bonds, and vice versa.

The gates were opened wide for a flow of capital into and out of the country. A risky act, one would expect: according to the old thumb rules, in a deficit economy this would lead to a flood of currency leaving the country.

The results so far have been exactly the opposite.

Since then foreigners have increased their holdings of Danish bonds listed in kroner from 10 to 40 billion, according to the National Bank in Copenhagen. Foreign currency reserves are at a record high level.

## Belt-Tightening Policies

These moves, which were unusual for a Nordic country, were combined with more traditional belt-tightening policies.

- o A wage ceiling. Wage increases for 1983 and 1984 were limited to four percent per year. For the years 1985 and 1986 the limit was set at two percent per year--which led to violent strikes in March this year.

- o Cost-of-living increases were discontinued. This stopped all automatic wage increases.

- o Increased government expenditures were stopped. The goal is to terminate the budget deficit by 1990, preferably without cuts in existing activities.

## 'Schluter Effect'

This political mixture, however, also has an extra spice, namely the eternally radiant optimism of the constantly smiling prime minister. Despite the difficult financial policies Poul Schluter appears to have a psychological hold on large parts of the population--a kind of "Schluter Effect." Also part of the picture is the long range investment in building up confidence in the government as well as in the krone.

One major result is that the optimism has spread to business. Industry has increased its investments in machinery and buildings by 50 percent in the past two years. Business profits have doubled in the past three years.

#### Top of the Class

In 1986 Denmark, for the third year in a row, will finish at the head of the class in growth in Europe. According to OECD's latest prediction Denmark's GNP will grow by 3.5 percent--as much as Japan's.

In addition the former inflation country is on the way to price stability. Predictions for inflation in 1986 are between two and three percent.

With the help of a falling dollar rate of exchange, which makes both interest rates and imports cheaper for Denmark, the national budget deficit is sinking faster than they had previously dared hope--from 28 billion in 1985 to 14.5 billion in 1986, according to the December financial plan.

#### Domestic Expansion

But all the curves do not point in the right direction. Danish expansion has largely taken place in the domestic area. With rising optimism and lots of money in the community the Danes have had good outlets for their desire to buy. Private consumption rose in 1985 by three percent.

"In Denmark we used to say that one should wear a crash helmet when one goes to the bank. He could get hit from behind with a loan on his way out," said the leading Social Democrat Svend Auken.

"Our savings ratio is among the lowest in the world and it continues to fall. That is why we recommended increased savings by setting up a new ATP system--two-thirds of all Danes lack retirement pensions--and to establish profit sharing in businesses."

The government interprets the banks' aggressive advertising campaigns a little differently.

"It is more likely an indication that it is not so easy to borrow money," said Minister of Finance Palle Simonsen

"Certainly there is a risk that Danes continue to borrow for consumption. Danish society is of course optimistic. But I believe that changed attitudes are on the way. Low inflation and limitations on deductions in the coming tax reform will make Danes more willing to save," he believes.

The buying wave and the investment boom are pressing imports up--especially since Danish firms must mostly purchase their machinery from abroad.

A difference from Sweden is that better Danish business conditions do not automatically mean that exports are increasing. Most Danish firms are small and manufacture consumption goods. Normally they would prefer to sell them in Esbjerg rather than Frankfurt.

## Gigantic Foreign Debt

In order to get down the deficit in foreign trade exports must increase, mostly to cover old debts. The nation's foreign debts are almost in a class with Latin America, about 250 billion Danish kroner or almost 40 percent of GNP.

The result is that domestic demand in Denmark must be suppressed so that the firms will be "forced" to go for export. That is the reasoning behind the so-called Christmas package that the government brought out at Christmas time.

The package was aimed mostly at the municipalities. Construction of day-care centers, schools, swimming pools etc. was stopped after a period marked by economic overheating. The government will also try to prevent wage drifts in the construction sector from spreading to other industries. The taxes on gasoline and other energy sources have furthermore been raised to counteract falling prices on the world market. A total of eight billion in buying power is being pulled in.

## Profits in Stocks

"Too little, too late, and aimed in the wrong direction. The government does not dare to make itself unpopular with its nucleus of voters," commented the chief economist of LO [The Trade Union Confederation] Poul Nyrop Rasmussen.

"More than 40 percent of the growth in total private income during the past three years consists of profits in stocks, etc. These profits have mostly been spent on consumption, and it is not the wage earners who have earned the money, but the private businessmen," he said.

"The Christmas package just deals with adjustments in economic policy," said Minister of Finance Simonsen.

"We do not want to break up our economic success by braking too hard. There is impatience that the balance of payments is not improving rapidly enough. But it should be remembered that the improved competitive ability of our companies is not going to produce greater market shares before 1986 and 1987."

He said that there would be no new economizing package in the reasonably near future. On the other hand there would be a bill in January containing measures against wage-caused "bottlenecks" in production: more effective employment agencies, among other things.

That assurance was not believed by social democrat Svend Auken, however:

"Of course things are going better for the Danish economy. But have we really taken full advantage of the opportunities? Unemployment first began to fall in the autumn of 1985, and that at the expense of our trade balance," he said. "The government will be forced into more economies."



The government and its supporters, however, prefer to talk about employment.

"In 3 years 120,000 new jobs have been created. That is 80,000 more than during the 10 years from 1973-1982. That is a very important key figure for the Danish economy," said Poul E. Pedersen, vice chairman of the Danish Employers Association.

#### Tax Reform

On 1 January 1987 the major tax reform will take effect. Marginal taxes and deductions will be reduced in a way reminiscent of the compromise following "the wonderful night" in Sweden. The Danes, however, are strictly following the principle that deductions and taxes should be reduced equally.

On the question of taxes the government and the Social Democrats have come together. But the differences are strong about other parts of the economic policy. Denmark has acquired bloc politics almost of the Swedish variety, according to socialist leader Anker Jorgensen, among others.

But the opposition does not have much possibility of changing the economic-political course, even if they should win the next election. The Schluter government has attached much of Denmark's future welfare to confidence in the krone.

"The liberalizing of the movement of capital is an ideological event which was not introduced for genuine economic reasons. It was done to tie the hands and feet of a future social democratic government," said Svend Auken.

#### Closer to the EC

Most people admit that the tying brings Denmark closer to West Germany and the EC.

But the question of whether Denmark has thereby become much less independent in its economic policies gets more varied answers. Nonsocialist politicians, businessmen and many economists emphasize that Denmark still depends on its major trading partners, regardless of its own policies. On the other hand the Left criticizes Schluter's policies for causing Denmark to be tied unnecessarily to economic policies formulated in Bonn and Brussels.

Domestically the forces of labor, employers and politicians--and thereby the entire people--are tied to solving the economic problems via financial policies instead of money policies. That means that taxes, public expenditures and wage policies must take blows more directly than previously, without relief for the moment from changes in the rate of exchange, interest rates or the abundance of money. In that respect Denmark is repeating a development which has become much clearer in several western countries, not the least of which is the United States.

[Box 1]

It is now a "dead heat" between Denmark and Sweden in the Nordic competition for second place in income after oil producing Norway. GNP, meaning the value of all goods and services produced for one year, is now exactly the same.

Item	Denmark	Sweden
GNP/inhabitant(inSw.kronor)	95,000	95,000
GNP increase in 1985 (percent)	2.4	2.0
Inflation (percent)	4.75	7.4
Unemployment (percent)	9.0	2.9
Trade balance (billions Sw.kr.)	-17.0	-11.5
D:o (in percent of GNP)	-3.25	-1.3
Area (in thousands of sq.m.)	43	450
Inhabitants/sq.km.	119	19

Footnote 1. The Danish figures are recomputed at a rate of 85 ore/Danish kr.

Footnote 2. The area of Denmark is as large as Skane, Blekinge and Smaland together.

[Box 2]

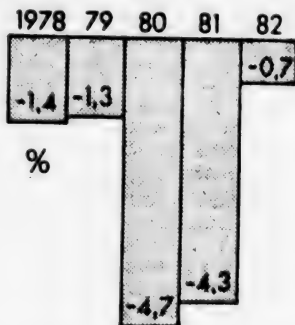
The Predictions for 1986

Item	Govt.	OECD	Econ. Council	Indus. Council
GNP growth (percent)	3.5	3.5	3.4	2.5
Private consumption (percent)	2.2	2.25	--	2.0
Business investment(percent)	9.0	--	6.4	6.0
Export (percent)	6.2	5.25	5.5	4.5
Import (percent)	3.5	5.0	3.7	2.5
Trade balance(Billions D.kr.)	-16	-20	-17.7	-15
Inflation (percent)	2.5	2.75	--	2.5
Unemployment	230,000	--	236,000	235,000
Budget deficit(BillionsD.kr.)	14	--	--	20
D:o (percent of GNP)	2.1	--	--	3.0

Footnote: The Economic Council or "The Wise Men" are a group of independent economists who are advisers to the government. The Industrial Council is the equivalent to our Industrial Federation.

# ST ART

## 1 Real wages depressed



## 2 Four-party government comes in



## 3 "Don't touch my krone"



## 4

The new policy:

Fixed krone exchange rate

Ceiling on wage increases

Abolish currency restrictions

Reduced budget deficit

## 6

...also inflation

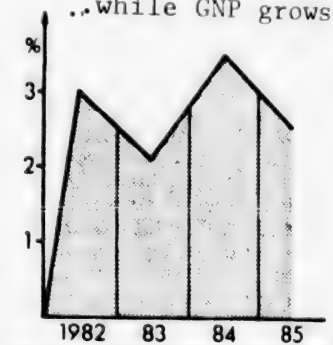
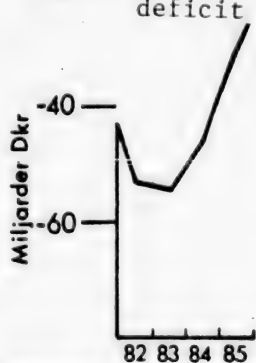
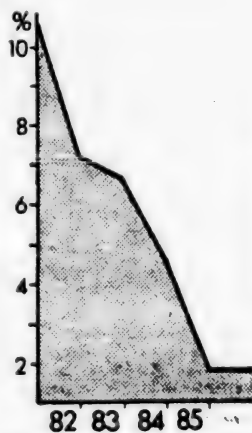
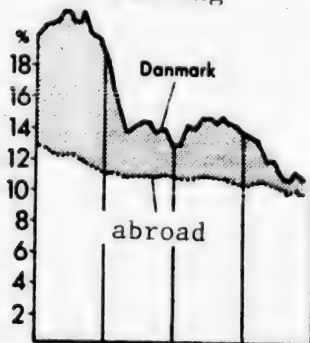
## 7

and the budget deficit

## 8

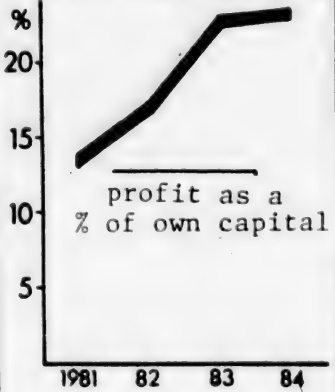
...while GNP grows

## 5 Interest rates falling



9

also business profits



10

Big strike in vain



11 Frenzy on stock market

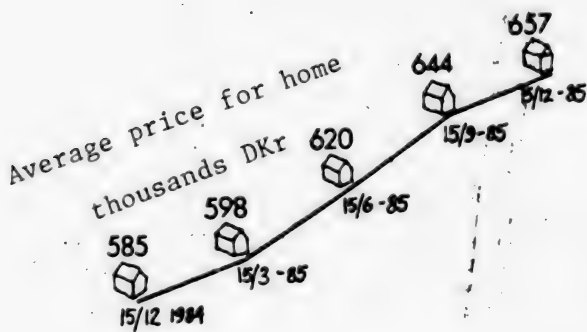


12 Unity on major tax reform



13

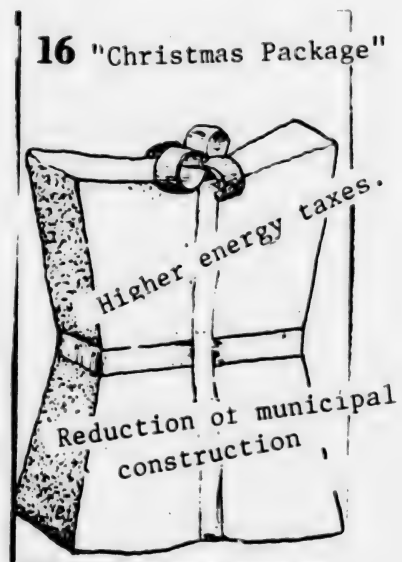
More costly to live



14

Unemployment still high





9287

CSO: 3650/107

## FEDER APPROVES REGIONAL DEVELOPMENT PROJECTS

Lisbon TEMPO in Portuguese 10 Jan 86 p 14

[Text] FEDER (European Fund for Regional Development) will provide 34 million contos (25 million contos in 1986) to finance 17 regional development projects, the largest of which is construction of Group III of the EDP [Portuguese Electric Power Company] thermoelectric power station in Sines. The 17 projects approved by the FEDER Committee are within 4 areas: transportation (18.2 million contos for 9 projects); energy (12.6 million contos for 2 projects); basic sanitation (1.7 million contos for 4 projects); and, finally, education, in which 2 projects were approved, with total financing of 1.5 million contos.

Along with the European Social Fund (FSE) and the European Agricultural Guidance and Guarantee Fund (EAGGF), the FEDER is one of the three community funding organizations; it constitutes a financial instrument of the EEC to implement policies aimed at correcting the community's structural problems.

However, unlike the case of the EAGGF, it cannot be said yet that there is an EEC policy in the area of regional development; in the current state of construction in Europe, the regional approach involves the coordination of community policies with an impact on regional development and the reconciling of the policies which are adopted by the member states within this framework.

Therefore, the FEDER contributes to the correction of the principal regional imbalances within the EEC, participating in the development and structural adjustment of regions which are less developed and in the reconversion of industrial regions in decline.

FEDER's intervention in each member state depends, on one hand, on the approval by the EEC authorities of regional development programs and, on the other hand, the applicants' agreement to cofinance EEC programs, national programs of interest to the EEC, projects and studies.

The EEC programs are conducted on the initiative of the Commission of European Communities and are intended to help solve some of the serious problems that affect the socioeconomic situation of one or more regions; EEC cofinancing is limited to 55 percent.



National programs of community interest are defined nationally and include coherent and multiannual activities which meet national objectives and which contribute to meeting community goals and policies. Cofinancing by the EEC is limited to 50 percent and, in exceptional cases, may be increased to 55 percent.

Projects eligible for cofinancing must exceed an individual investment of 50,000 ECUs (European Economic Units) and pertain to industrial and artisanal activities, services or infrastructures; they must be within the framework of the regional development programs and must be located in the aid zones established by the member countries for application of the respective regional incentive systems; EEC cofinancing is limited to 50 percent, and can be increased to 55 percent in exceptional cases.

Studies must be directly related to FEDER operations or of significant interest for the effective employment of the respective funding. Maximum EEC cofinancing is 50 percent; in very special cases, however, it may be as high as 100 percent. The extent of financial assistance depends, first of all, on FEDER budget decisions (both in setting the total commitment to assume annually and the volume of payments to be released in that period). In the second place, it depends on the potential share of each member state in the overall FEDER allocation (under relatively flexible conditions, within minimum and maximum limits). Third and last, the extent of financial assistance depends on the volume of current financing of the accepted projects (the FEDER may cofinance expenditures realized in the 12 months prior to the presentation of the respective funding request).

Finally, FEDER only participates in the financing of public expenditures, generally only after the competent national authorities have approved the project. Hence, FEDER funding for private productive activity is possible only through one of the national incentive systems and, here too, with counterpart funding granted by the political authorities.

The signing of the treaty admitting Portugal to the EEC corresponded to full acceptance of the applicable community legislation, the approval of a protocol regarding Portugal's economic and industrial development and provision for the inclusion of a common declaration specifically pertaining to the economic and social development of the autonomous regions of the Azores and Madeira.

These provisions did not, however, exhaust the list of matters to be negotiated. After the membership treaty was signed, the Portuguese and EEC authorities agreed on the following items: minimum and maximum limits for Portuguese access to the FEDER budget were set at 10.65 percent and 14.20 percent, respectively; in the case of educational and hospital establishments, exceptions were made to the list of undertakings ineligible for FEDER financing; during a 5-year transition period, the limit of financing for proposed projects would be increased from 55 percent to 70 percent.

Portugal presented a significant group of funding applications to the FEDER, with a value corresponding to a total EEC commitment of 70.2 million contos.

**Table: Funding Applications Approved by the FEDER Committee on 26/27 November 1985 (in millions of contos)**

<u>Project</u>	<u>Commitment</u>	<u>For Release in 1986</u>
Highway access to the Algarve	1,161.5	929.20
Amarante-Vila Real Expressway	2,195.0	1,756.0
Albergaria-Viseu Expressway	2,081.25	1,665.0
Marvao Irrigation System	507.0	405.6
Rio Douro Railway Bridge	3,696.3	2,957.04
Aveiro Port Expansion	3,040.4	2,432.32
Faro Politechnical Institute	449.9	179.96
Setubal Politechnical Institute	1,072.5	
Mealhada-Albergaria Highway	3,886.0	3,108.8
Sines III Thermoelectric Plant	9,047.4	6,785.55
Torrao Dam	3,515.1	2,636.325
Port of Praia de Vitoria	880.0	783.2
Port of Vila do Porto	487.75	373.312
Ponta Delgada Airport	784.3	588.225
Porto Metropolitan Area Water Captation and Supply System	417.5	313.125
Peniche Water Supply System	416.5	333/2
C[astro] Verde and Ourique Water Supply System	408.596	163.43
<b>Total</b>	<b>34,057.0</b>	<b>25,410.287</b>

In the EEC decision process, a distinction is made between proposals for projects amounting to more than 5 million ECUs (more or less 700,000 contos) and other projects. The former are evaluated by the FEDER Committee and the latter are evaluated in the EEC services.

Regarding the projects valued at more than 5 million ECUs, the FEDER Committee met on 26 and 27 November to conduct an evaluation. All the projects were approved, corresponding to an overall EEC commitment of 34 million contos, of which 25 million contos will be released in 1986.

The breakdown of these funding requests by institution is as follows: central administration, 14.2 million contos; public companies, 16.4 million contos; autonomous regions, 2.2 million contos; local governments, 1.2 million contos.

Funding applications for projects budgeted at less than 5 million ECUs are in the process of evaluation, which will be concluded only after the date of admission to the EEC.

After the Sines project, the Mealhada-Albergaria highway received the largest financing from the FEDER: 3.88 million contos, 82 percent of which will be released this year. The Rio Douro railway bridge has already received 80 percent of the almost 3.7 million contos allocated by the FEDER; almost the same figure was allocated to build the Torrao dam on the Tamega River, where a hydroelectric station is to be installed.

Improvement of the Port of Aveiro, with regard to maritime access and to the first phase of construction of a new commercial port in that city, will receive FEDER financing of about 3 million contos, 2.4 million of which will be released in 1986.

Two expressways, linking Amarante and Vila Real and from Albergaria to Viseu, will each receive about 2 million contos in financing. Most of this funding will be made available this year.

Highway access to the Algarve will be improved, with the reconstruction of two stretches totaling 41 kilometers, for which the FEDER allocated 1.16 million contos, and 1 million contos will be made available by the fund in 1987 for the construction of the Politechnical Institute of Setubal.

Eight other projects have also been approved, but they are budgeted at less than 1 million contos.

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CSO: 3542/57

## ELECTRIC POWER CONSUMPTION ALREADY AT NINETIES' FORECAST

Stockholm SVENSKA DAGBLADET in Swedish 28 Dec 85 p 34

[Article by Bo Ostland: "Electricity Consumption Already at 90's Level." First paragraph is SVENSKA DAGBLADET introduction]

[Text] The consumption of electricity in Sweden continues to grow. When the 1985 energy forecast was written electricity consumption had risen by 10 percent since the end of the previous year, and is already at the level that the politicians had estimated for 1990. This has left its mark on the balance of trade, where the import of oil for the third year in a row has declined.

Electricity production also changed during the year: nuclear power plants 11 and 12 were put into operation, and fully half of all electricity in Sweden now comes from nuclear power, the rest from water power.

New figures from Sydkraft [The South Swedish Power Company] show that consumption of electricity in southern Sweden increased by 14 percent during 1985. Southern Halland and Kronoberg County plus northwest Skane increased electricity consumption by 20 percent.

In Sydkraft's distribution area, Barseback's two reactors provided 70 percent of the electricity.

Vattenfall [The Swedish State Power Board] announced that the total consumption of electricity rose to 130 TWh (terawatt hours, tera stands for billion). Vattenfall said that during the cold months of January, February, March and April electricity consumption averaged 13 percent over 1984.

## No Surplus

At the National Energy Authority they can now confirm--contrary to the political plan--that the so-called energy surplus does not exist: Already in 1985 (and with the entire nuclear power program in operation) electricity is being consumed in the amounts predicted for the year 1990 in the National Power Prognosis.

There are several explanations for the large increase in use of electricity.

One is the good business which industry enjoyed during the entire year, and which caused heavy electricity consumption in the processing and manufacturing industries. For example, in western Sweden Volvo and Saab (at the Trollhatte plants) have been operating at full speed.

Another explanation--and it is nationwide--is the cold winter of 1985 which increased energy consumption for home heating.

In step with the rapidly increasing price of oil beginning with the 1979 oil crisis, the changeover from oil to electricity has been very rapid in Sweden.

And thereby Swedish property owners have also been encouraged: In order to reduce dependence on oil the government handed out generous so-called conversion loans to property owners who voluntarily converted from oil to electricity for heating, electric heat or electrically driven heat pumps.

In a press release from Sydkraft just before Christmas it was announced that 15,000 private homes had converted to electric heat and had been connected to the net. The conversion of these 15,000 homes reduced Swedish oil imports by about one million cubic meters, corresponding to about two billion kronor.

#### Overflowing Water Storage

The Swedish power industry is well prepared for 1986. Vattenfall reports that the water supplies are full--simply overflowing--and that water power can supply more than half of the electricity production (perhaps as much as 60 percent) if one or more of the 12 nuclear reactors needs to be taken off the line.

This also means that Sweden can again, although to a limited degree, export electric power if Swedish consumption should decline, for example because of business conditions.

At the same time SAFO (Swedish Atomic Forum, a coalition of interests representing research, the reactor industry and power production with the aim of advancing the peaceful uses of nuclear energy) reports that now with F3 and OIII (units 11 and 12) in operation, Swedish nuclear power produces 9,913 MW (Megawatts, mega stands for million) of electricity from nuclear power. That makes Sweden one of the world's largest per capita producers of nuclear power. In its report SAFO also cites NEA, the nuclear energy organ of OECD, which states that expansion of nuclear power in the world acquired new speed in 1985: 350 nuclear reactors are now in operation in 24 countries, and construction is taking place in 11 additional countries.

In Europe West Germany has now taken the leadership from France, and nuclear power production increased there by 30 percent in 1985. NEA also conducted a comparison study (reproduced by SAFO) which indicated that electricity production by coal burning in 12 countries is more expensive than nuclear power. Countries in the study included France, West Germany, Belgium, Finland and the United States.

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4 March 1986

